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Transport Committee

Comataidh na Còmhdhail

Wednesday 18 November 2026

Session 7

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TRANSPORT COMMITTEE
12th Meeting 2026, Session 7

CONVENER

*Willie Rennie (Fife North East) (LD)

DEPUTY CONVENER

*Lloyd Melville (Angus South) (SNP)

COMMITTEE MEMBERS

Iris Duane (Glasgow) (Green)
Zen Ghani (Glasgow Cathcart and Pollok) (SNP)
*Donald MacKinnon (Na h-Eileanan an Iar) (Lab)
*Graham Simpson (Central Scotland and Lothians West) (Reform)
Collette Stevenson (East Kilbride) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Richard Ballantyne (British Ports Association)
Colin Cook (Scottish Government)
Martyn Day (Falkirk East and Linlithgow) (SNP) (Committee Substitute)
Stephen Flynn (Cabinet Secretary for Economy, Tourism and Transport)
George Henry (Transport Scotland)
Kevin Hobbs (Caledonian Maritime Assets Limited)
Alison Irvine (Transport Scotland)
Calum Mackenzie (Scottish Collaboration of Transport Specialists)
Duncan Mackison (CalMac Ferries)
Jacqueline McDonell (Mallaig Harbour Authority)
Chris Wilcock (Transport Scotland)

LOCATION

The Alexander Fleming Room (CR3)

Scottish Parliament

Transport Committee

Wednesday 18 November 2026

[The Convener opened the meeting at 09:15]

Ports, Harbour Infrastructure and Ferries

The Convener (Willie Rennie): Good morning, and welcome to the 12th meeting in 2026 of the Transport Committee. We have received apologies from Iris Duane, Zen Ghani and Collette Stevenson. I am pleased that Martyn Day has joined us again, and he is attending as the Scottish National Party substitute.

The first item on our agenda is an evidence session on ferries, ports and harbours. We will hear from two witness panels this morning. I am pleased to welcome the first panel: Richard Ballantyne, chief executive of the British Ports Association and secretary of the Scottish ports group; Kevin Hobbs, chief executive of Caledonian Maritime Assets Limited—CMAL—and Calum Mackenzie, chief officer, assets and infrastructure, at Comhairle nan Eilean Siar, who is representing the Scottish Collaboration of Transport Specialists and is joining us remotely. Also on the panel are Duncan Mackison, chief executive of CalMac Ferries, and Jacqueline McDonell, chief executive of the Mallaig Harbour Authority.

As always, if we can keep our questions and answers as short and concise as possible, that would be helpful. The first member to ask a question is Lloyd Melville.

Lloyd Melville (Angus South) (SNP): Good morning. I would like to start by asking Calum Mackenzie about the general condition of a lot of the ports and harbours that we have in Scotland, and then I will come to the rest of the panel on that. First, what is your view of the general state of our lifeline ports and harbours? Is their state sufficient to provide the ferry service that Scotland needs?

I cannot hear you, Calum, so I will start by putting the same questions to Jacqueline McDonell. What is your view of the general state of our ports and harbours? Is it sufficient for the ferry service that we need just now?

Jacqueline McDonell (Mallaig Harbour Authority): I can only speak about our harbour in Mallaig. Although our harbour is sufficient for the service that we have at the moment, it is not necessarily future proof for the service that we might want to have going forward. We have services to seven different islands from Mallaig, and one of them is not served by CalMac, so it is a different route altogether.

Our infrastructure is sufficient for what we need at the moment, but it is ageing and creaking at the seams a little. That is a positive thing—it is because all of the economies of the communities that we service are growing and that is what is causing the pressure for us rather than the infrastructure. It is about economic growth in the communities that we serve.

Lloyd Melville: I read in your submission that your ideal piece of work would cost in the region of £100 million. Is that right?

Jacqueline McDonell: Yes.

Lloyd Melville: Obviously, being a trust port, you have particular challenges with accessing capital. Do you want to talk us through a bit of that?

Jacqueline McDonell: Because we are a trust port, we do not have any shareholders. We have to operate on a commercial basis, so we generate dues and reinvest every penny of the dues that we receive. However, our turnover at the moment is around £2 million, so it is very difficult for us to fund a £100 million project. The other way that we would do it, if we were not able to access grant and loan funding—and it needs to be a combination of all sorts of funds to put together towards the £100 million—would be to increase our dues, but that would be an ongoing commitment to the public purse for ever, whereas a capital grant is a one-off spend.

Lloyd Melville: Okay, thank you. I will maybe come back to that later on. Duncan Mackison, the same question goes to you.

Duncan Mackison (CalMac Ferries): We operate from 55 different locations, and there is a huge variety in the conditions. Some of the ports and harbours are in excellent condition and have been modernised, and some of them are historic, so there is a huge variety. The ones that concern me most are the ones that are fragile and are still operating. The ones that are fragile are often in quite exposed locations, because being exposed often goes hand in hand with becoming fragile.

Lloyd Melville: Roughly how many of them would you consider to be in that fragile state at the moment?

Duncan Mackison: I would say probably about 20 to 25 per cent. However, there are some in relatively remote locations where we have to be really careful because, if one of our vessels damaged a piece of infrastructure, just rebuilding that would leave the community in a really difficult position for a long period.

Kevin Hobbs (Caledonian Maritime Assets Limited): We own 27 of the ports and we have an

ongoing commitment to improve the port infrastructure. We have done a huge amount of work on replacing infrastructure over the past 20 years, and that has accelerated in the past eight or nine years, but it is undeniable that some of them still require to be upgraded.

I am sure that you are aware that we recently bought Ardrossan harbour. It was not in our portfolio until 17 March this year, and we had ongoing concerns about it. We now own it, but it needs a huge investment to make it fit for purpose; at the time of purchase, we considered that it really was not fit for purpose.

We have been afforded quite a lot of money, but whenever you do marine projects, the amount of money that you need is absolutely astonishing. One example is Port Ellen harbour, which we closed in early June this year and will be closed for about two and a half to three years; that project will cost £108.8 million. That gives you the quantum of what is required, and that is just one port out of 27, so you can see that a huge investment is needed.

Having said that, we have been afforded an awful lot of money to improve quite a lot of harbours, some of which are CMAL's and some of which are not, and the Government has also contributed to those harbours, along the lines of what Jacqueline McDonell said about funding.

Richard Ballantyne (British Ports Association): In answer to Mr Melville's question, the ports are broadly fit for purpose, but a lot more could be done. If we look across the network of ports across Scotland, we see a broad differential between the trading ports and the ports that provide services to the energy sector, the fishing industry and, of course, ferries and essential lifeline connections. We have seen some excellent investment in those from Transport Scotland, through CMAL, and that has helped. As ever, I am sure that the sector could do with more money, and there are bigger projects that it would like to get involved in.

I know that the remit of this evidence session is ferries in particular, but we must not miss out on the other parts of the sector, particularly fishing, where there is a lot of ageing infrastructure and those traditional industries are moving to or consolidating in different areas. How those ports balance what they do with declining incomes is quite a challenge. As Kevin Hobbs mentioned, ageing infrastructure is very expensive to replace.

On the energy side, servicing the offshore renewable sector is an aspiration that we have, but some of those developers are not yet willing to pay, so the ports are waiting and they are potentially looking for some public sector support.

Broadly, as a collective, the sector is fit for purpose, but more can be done.

Lloyd Melville: Jacqueline McDonell mentioned the need to future proof, and we would all agree with that. Looking ahead, what scale of investment is required to future proof the ports and harbours in Scotland?

Richard Ballantyne: Across the United Kingdom port sector, about £1 billion goes into infrastructure each year. A lot of that is predominantly privately sourced, although the CMAL figures will be included in that each year. We do not have a finite figure on what the numbers will need to be—or could be—in Scotland, but any self-respecting commercial port operator will be looking to develop, grow and increase its resilience, because investments are not just for short-term gains—they are for generations ahead.

Lloyd Melville: I hope that we can hear Calum Mackenzie now.

Calum Mackenzie (Scottish Collaboration of Transport Specialists): Can you hear me?

Lloyd Melville: Yes. Good morning.

Calum Mackenzie: Good morning. I apologise for the audio issues.

It is quite difficult to answer your question. On whether our ports and harbours are fit for purpose for just now, I would say that they are managing. However, as other speakers have highlighted, a number of fragile ports could be rendered inoperable if there were the wrong weather conditions or if there was the wrong ferry berthing or a collision.

Purely in relation to ferries, as opposed to all the other industries that use our smaller ports, SCOTS recommends that we carry out a review that would give information on what we need just now and what we will need in the future. New vessels are sometimes bigger, with more windage. Given that climate change forecasts suggest that there will be more severe weather, there could be more disruption, so we need more stable berths.

For now, we are managing the infrastructure between us. For the future, we need to work collaboratively to consider all the areas in which investment is required and match all that work with new vessels. CalMac's written submission includes some very good points, particularly on what might be coming in the future. We should be able to better answer your question next time, following a review of our ports and harbours, especially the critical ones. We should consider what we need for the future and then come up with an investment plan for that.

Lloyd Melville: Such a review would go some way in answering the question about the

consequences of not finding capital funding for the work. If we have a number of fragile harbours, I imagine that there is a pressing need for capital investment.

Jacqueline McDonell, what has your engagement been like with the Scottish Government on potential funding for work at Mallaig?

Jacqueline McDonell: We are in a fortunate position in that we have good relationships with Transport Scotland, CMAL and CalMac. We have all been working together to try to make progress. Transport Scotland has just funded a project to build an overnight ferry berth, because, when all the ferries that should be operating from Mallaig are there, we have five ferries, three of which need to berth overnight in Mallaig. We have just done that work with Transport Scotland, and that funding is much appreciated.

We have been through several loops with CalMac and CMAL to try to find a cheaper alternative for our infrastructure. The changes are needed for positive reasons—the communities that we serve are growing—but there is no point in trying to save money in that regard. Instead, we need to invest a reasonable amount of money in building something once. With the MV Lord of the Isles replacement, we considered a do-minimum option, but that option would have cost £40 million and would not have made things fit for the future, because it would not have enhanced the terminal building, the freight facilities, the marshalling lanes and so on. It would just have dealt with the infrastructure for the boat berthing.

The issue is not that we do not have good relationships with the Scottish Government, CalMac and CMAL. It is that a lot of money is required, and there are always demands on the budget from various sources.

Lloyd Melville: I am very much of the view that, sometimes, good things are worth paying for. I know Mallaig quite well, because I have family on Knoydart—perhaps I should have declared that as an interest.

CMAL's view, as set out in its written submission, is that progress on such work would be accelerated if it owned more of the ports and harbours. Do you all share that view? Is the scattered ownership between various bodies, including local authorities and trust ports, a barrier to the investment that is needed?

Duncan Mackison: As you will have seen, I hope, from our written submission, we very much take the view that we need to look at these things, including vessels and infrastructure, as a system. That is a helpful way to consider the issue. If ownership of the vessels, and most of the infrastructure, are in the same place, that helps with that programme, because it is good to tie in the facilities for the vessels. Also, importantly, facilities for customers, accessibility, passenger access systems and so on need to be thought through in the same way, so that everything works together seamlessly on a route by route basis. That is the logical way to do it.

We frequently meet our council counterparts and manage projects together, so it is not for want of trying, but different organisations sometimes run at different bases or have different budgetary pressures.

09:30

Lloyd Melville: As you said, there are significant budgetary pressures on local authorities, particularly on the capital side. Is it your view that local authorities are not equipped to do the scale of work that is required?

Duncan Mackison: In general terms, our observation is that local authorities are under pressure. We specialise collectively in this area, and we have the scale, systems and processes to understand these things. It is not for want of trying, but that work is not commonplace for councils and they are not doing it all the time.

Kevin Hobbs: I would back up what Duncan Mackison said. If you started with a clean sheet, you would not have so many ports owned by different entities. The ports are owned by three councils and four trust ports, and, on Canna, the National Trust for Scotland.

I will give you one of the best examples, which is that we decided to build two new vessels for the Little Minch route, which connects Uig, Lochmaddy, and Tarbert on Harris. That requires preparing the ports and building the ships. We own Tarbert port on Harris, the Western Isles Council owns Lochmaddy port and Highland Council owns Uig port. As you can imagine, it is really tricky to triangulate everybody to act in unison. CMAL is not a bunch of kleptomaniacs, but, at the end of the day, my firm view is that if we could have more control over more ports, an awful lot of these projects would be a lot easier to deliver. The cost of doing it is the cost of doing it, but it is really tricky to reach out to all those different organisations. It also takes time, and, in some instances, we do not have that much time.

Lloyd Melville: Do you think that that is the Government's direction of travel?

Kevin Hobbs: That is what I am trying to promote with the Government.

Lloyd Melville: We will perhaps find out when Government representatives are here later.

Kevin Hobbs: You had better ask the cabinet secretary in the next evidence session.

Lloyd Melville: I will do.

Kevin Hobbs: We have ongoing relationships with all the ports, including the council ports. One private port was involved, which was Ardrossan, but that is out of the equation now. Generally, though, I believe that if CMAL had more ports, the investments would be a lot smoother.

Lloyd Melville: Does anyone else have any pressing views on that? Calum Mackenzie, do you have a view on the ownership issue?

Calum Mackenzie: Collectively, we are all looking for the same thing, which is a more resilient and reliable transport network. From a local authority perspective, I would suggest that we look a bit wider than just the ferry or freight routes, because there is industry connected to some harbours.

Going back to the paper from CalMac, it is important that we look at the transport network holistically. We need to look at how roads connect to ports. Are the ports in the right place? What is the economic benefit to each community? Is it fishing or industry? How do we link up with rail and buses?

Local authorities have a huge part to play from the economic and the local, place-based perspectives, and for the wider strategic view of transportation in Scotland. For me, port ownership is not a big issue as long as there is collaboration and input by all those involved, and as long as the economic benefit of ports is considered. From a local authority perspective, we see the benefits of having a partner that is experienced in the delivery of vessels and port infrastructure, but I do not see those benefits as excluding the benefits of having local authority input into that process.

Richard Ballantyne: It will not surprise you to know that, given that we represent the full spectrum of ports across Scotland, we are aware that there is quite a mixed view on the issue. It is a case of horses for courses, really. For example, some of the smaller ports rely on or even need the support of CMAL to lead a lot of the projects that they are involved in. Some of the larger trust ports and independent ports have enjoyed working collaboratively with CMAL and the Scottish Government, but would probably want to project manage things and lead things themselves, based on their sense of what works for their community.

I would just add that the issue involves more than just the infrastructure development cost, and we are thinking in wider terms about issues such as planning. CMAL has great experience of navigating some quite complex systems involving various stakeholders and so on. I will put on the record the fact that Transport Scotland is very good on harbour orders—indeed, I would say that, because of its understanding of those, it is market leading across the UK in terms of the time that it takes to get harbour orders through. In England, we have real problems at the moment with backlogs of harbour orders, Wales is struggling with its new system and there is a different arrangement in Northern Ireland—so, hats off to Transport Scotland.

There are issues around marine licences, which involves the marine directorate, and other things relating to the habitats regulations. The systems that are in place in those areas are good, but they can sometimes act as blockers that delay projects. Any help that CMAL can give operators, particularly smaller ones, in navigating those challenges would be welcome.

There would be a particularly big plus if CMAL could help with accessing funding, because it is funded by the Scottish Government and there has got to be a lot of merit in its getting involved in that regard. An excellent recent example of that concerns the approach to the port of Ullapool, which combined Transport Scotland funding, Highlands and Islands Enterprise funding and money from the port operators. If any of you have been to Ullapool in the last couple of years, you will know that the result of the project is wonderful. The approach is much safer and more fluid, and there is even a promenade. That is an excellent development, and, if the committee wants to go and visit that port collectively, I am sure—

Lloyd Melville: Our list is growing by the day.

Jacqueline McDonell: It is important to recognise that what Kevin Hobbs is talking about is the ferry infrastructure. CMAL would not want to be involved in all the fishing industry stuff and so on that we, as a trust port, might be doing. It is not that CMAL is making a grab for everything, but I think that there is definitely a role for CMAL to play in terms of the ferry infrastructure.

Lloyd Melville: Thank you.

Graham Simpson (Central Scotland and Lothians West) (Reform): My wife and I were in Ullapool in the summer, and we got the ferry from there. It is wonderful. It has always been wonderful and it always will be.

Calum Mackenzie, you mentioned that you think that there should be a nationwide review of ports. Who do you think should carry that out?

Calum Mackenzie: A number of agencies could contribute to it. The regional transport partnerships can input with regard to the regional transport needs, and SCOTS, which I am representing today, and the Convention of Scottish Local Authorities would be happy to have an input, too.

The review could be led by Transport Scotland, but I think that what is important would be drawing in all the collaborative knowledge and experience that is out there just now—the knowledge of what is working and what is not working.

I would go back to CalMac's submission and ask whether the ports are in the right places. Right now, the vessel movements predominantly involve freight, passenger transport and tourism. Looking to the future, will those figures be changing? Is there a more efficient way that these services could be delivered? Over the next five years, there will be a huge amount of investment in major renewable developments affecting the Highlands and the islands. We need to understand the impact of that, although it will take place over a short period, and we must also ask what will happen after that period.

There is a lot happening. We need a review of what is there now and what will happen in the future over the short and longer term. Indeed, we also need to consider where the fixed links fit into future investment. Transport Scotland is a central agency on that but pulling in information collaboratively from all the other sources that I mentioned could be a way forward.

Lloyd Melville: You will be aware that the Scottish Government's budget is coming up on 3 December. Given the scale of investment that is required, particularly in some of the fragile ports, how best should the Government address that? What scale of investment might be required in the upcoming budget to make a good start?

Jacqueline McDonell: As Calum Mackenzie indicated, these things take time. The first stage is putting marine licences and harbour revision orders in place; you do not have to spend any capital money immediately because a lot of work needs to be done before that. If we started in Mallaig tomorrow, we would be talking three or four years because we would have to do marine monitoring to see what species are around and produce a detailed design. You are not talking about immediate capital spend as soon as you start, so it would be good to start moving.

Lloyd Melville: There are preliminary steps that you would like to be done.

Jacqueline McDonell: Yes, there are preliminary steps that need to be done.

Duncan Mackison: As Kevin Hobbs said, none of those pieces of infrastructure are short-term projects. One of our projects lasts as long as a parliamentary session. Some of them take significantly longer. Therefore, it would be terrific if the Parliament and Scottish Government could find their way to an assumption about a rolling investment programme—we leaned towards that in our submission—because affordability is about not just what is under your nose but the commitment to keep investing. In some circumstances, we have got into the problems that we have had in recent years because investment has been delayed or attention has been taken elsewhere.

On your point about how much investment is needed, we either have or do not have our lifeline ferry routes. They have to be safe and must exist because they serve communities that have to be sustained. Therefore, the question "Could you not do it?" is not appropriate. That is not a criticism. It is just that there needs to be a prioritised list in the long term, even if the money is not available to fund all of it.

Lloyd Melville: The point is that the later you spend, the more you spend.

Duncan Mackison: One hundred per cent.

Lloyd Melville: I would support a rolling plan. A national plan for ports and harbours would make a lot of sense. However, if the need for investment is critical, the Government should pay attention to it.

Kevin Hobbs: Any port project of scale is about a five-year process so, as Duncan Mackison says, it is about the length of a parliamentary session. I have said for the close to 11 years that I have been at CMAL that it would be really good if ferries were not treated as a political football, which they genuinely are.

We would like there to be a minimum investment. If you look across our portfolio of ferries, you will see that, in effect, every three years we need to build two big ones and two small ones. At today's prices, that is £200 million at least. It can be more, because the northern isles vessels are approaching £100 million each, and it will be even more again when it comes to replacing the overnight ones. That gives you the sort of scale that you need. On ferries alone, you are looking at a minimum of £70 million or £80 million a year. That will increase every year as well, because the inflation rate in the market for vessels at the moment is far in excess of the consumer prices index or the retail prices index.

09:45

As far as the ports are concerned, speaking generally, if I were asked for a number, I would say that we would need about £100 million per year, and that would be purely for the CMAL-owned ones. We have the most complicated ones. A lot of ours have linkspans, whereas the council ports tend to have a lot more slipways, for instance. Highland Council has got Eigg, which is complicated, but it also has five ports that have

slipways, and the Western Isles Council has Lochmaddy, which is also complicated.

Lloyd Melville: So, the actual figure required could be many hundreds of millions.

Kevin Hobbs: I do not think so. It is difficult to say, but initially the funding would have to be doubled if the councils owned all of the ports. We own 51 per cent of them, effectively, so the funding would have to be doubled. However, ferries should last 30 years, but in the current environment, when a new port is built there is no reason that it cannot last for 60 years. Therefore, I think that somewhere between £150 and £200 million per year would be needed for ports.

The Convener: You mean council ports and CMAL ones.

Kevin Hobbs: Yes. The funding required for CMAL ports alone would be about £100 million.

Richard Ballantyne: I do not have a definite figure. The caveat to all of this is that while there are different drivers and motivators and timescales at each port, all types of port—whether they are owned privately, by a local authority, CMAL or a trust—will be able to sufficiently fund certain developments, and we are expected to fund them using harbour income and dues et cetera. That keeps the market competitive and keeps a level playing field. However, where there is an overriding public interest, which could relate to energy, infrastructure, lifeline ferry services or fishing, we accept that there is a place for public subsidy. That is my heavily caveated point.

Kevin Hobbs mentioned the northern routes where new services and ports have come in, some of which are part of the CMAL portfolio. We are going to have to respond to that and consider what Kevin Hobbs's team and Scottish policy makers want for ferries in the future. For example, they will need to consider what fuels ferries will use or whether they will need to be plugged in. It is expensive for ports to respond to the need for infrastructure of that sort. Where they might not be able to accommodate that or cover it through their commercial operations, we would expect funding from the Scottish Government.

This is a general thing to say ahead of the budget, but there is an important point to be made about politicising operations nationally and locally. Different councillors from different local authorities come in with different aspirations. Giving ports long-term assurance about what they need to spend money on, how much they need to spend, when they need to spend it and what the picture will look like is important.

Lloyd Melville: It comes back to the longer-term national plan approach. Do you support that?

Richard Ballantyne: In principle, we would definitely welcome Calum Mackenzie's suggestion to have such a plan. However, I would need to see the remit, and I warn against carrying out an overly bloated exercise. We would not like Transport Scotland to be pulling too many resources away. We do not want to take officials away from the good work that they do on harbour audits, for example. However, a plan might be useful to highlight what we need and what we are doing. That applies not only to funding, but also to licensing, permits, consent and taking into account what communities want. It is also always good to have a master plan.

Lloyd Melville: It would also give us more clarity about the quantum of investment that is needed, if we knew the condition of all of the ports.

I will let Calum Mackenzie come in, as I am conscious of time.

Calum Mackenzie: It is difficult to come up with a figure, but I think that we should consider a priority. We tend to know which ports we would like to look at first. If we can work with Transport Scotland and the other agencies to, ideally, get a full picture, we can then do the work in steps and consider what the major concerns will be during the next five years, then prioritise work on the key ferry ports and infrastructure. After that, we can keep that planning going to create 10, 15 or 20-year plans.

Again, we do not have all of those answers just now. It is the critical bit of work that we need to do, so that we can come back to you and say, "Okay, this is our priority just now. These are the key weaknesses in the infrastructure, and these are the areas we want to prioritise."

Kevin Hobbs: I just want to jump in and say that we pretty much know what will be needed in the next 20 years across all of the ports, because of our interactions with every port owner, whether it be a trust or a council. It would take me several hours, but I could run through each of the 53 and tell you exactly what needs to be done.

Lloyd Melville: I do not think that we have time for that.

Kevin Hobbs: I know, I know.

Lloyd Melville: Thanks. That is it from me, convener.

The Convener: I think that Richard wants to come in, too.

Richard Ballantyne: I would like some clarity as to whether this would be a plan just for Scotland's ferry network and the ports that serve it, or whether it would be a wider ports plan covering everything from offshore energy to fishing et cetera.

Moreover—and I hope that this does not make Kevin Hobbs shudder or put him in a stressful position—we also should think about the new services that could be introduced in the future. After all, there are ports that would like to explore new routes, and some of them will not be part of the CMAL network. Such plans might be made maybe not today, but in the future, and it would be interesting to know what would be feasible.

The Convener: I call Martyn Day.

Martyn Day (Falkirk East and Linlithgow) (SNP): I will start with Duncan Mackison. I have to say that I am fairly new to the issue of ferries, but I am aware that CalMac is calling for ferry and port upgrades to be planned as a single package. Why has that not happened so far? What are the barriers in that respect?

Duncan Mackison: In recent years, most of the collective attention of all those who are interested in ferries in Scotland has probably been focused on legacy issues, old vessels and things not working. As a result, there has been a collective lack of looking at things in the round or looking forward in a positive way. I would like to think that, now that we are starting to get some new vessels—indeed, we were delighted to get one last night—that will create a space for those discussions to happen.

Going back to the theme that we have just touched on, that sense of looking across the network as a whole is probably more pertinent now from a connected transport perspective. For example, I am interested in the interconnector project that is going through Stornoway, and the fact that Scottish and Southern Electricity Networks will be using a freight ship of its own, and that that freight will be coming from different places such as Aberdeen or other ports.

That raises a question not just about point-to-point solutions, but about what those points should be, and whether there are more strategic ways of looking at freight flow around the west coast of Scotland—and possibly the north-east of Scotland, too—and linking choices being made on ferries infrastructure and locations with other parts of the same system, such as roads. We offload a lot of freight that then finds its way over the Rest and Be Thankful, for example, and other such places. There was a time when freight and sea routes on the west coast of Scotland were different from those that we have now, and I think that we have been locked into a process of looking at point-to-point routes and the conditions of the existing system, instead of trying to find a bit of space to look at the system as a whole before we make choices. For a long time, we have just been fixing things instead of taking that wider view, and that has caused the issue.

Martyn Day: Kevin, what are your thoughts on that?

Kevin Hobbs: The passenger experience would be enhanced if there was more joined-up thinking. Obviously, because we and CalMac are 100 per cent owned by the Government, we work extremely closely together, and I do not think that there is any disconnect in that respect. However, I would say that, from a passenger perspective, there needs to be a really good look at the road network going to ports, the bus and train services that take people to and from ports and all that sort of stuff, because it does not always work very well. It is not really seamless, and it would be very good if it became seamless.

New routes have been mentioned. To be brutally honest, I am not sure that any new routes will be affordable in the coming budget or future budgets, but maintaining the existing routes and doing the best that we possibly can with them is an absolute priority. The delivery of ports and ferry services is not fragmented or disconnected, but we need a holistic approach to all the modes of transport to make it a lot better than it is today.

Richard Ballantyne: In relation to wider transport connectivity, any port that is engaged in any activity is only as good as its last mile and its hinterland connections. In Scotland, that is particularly pertinent for roads. We like road spending, so if the budget includes capital or maintenance funding for roads, that will be helpful, because we want to create a smooth and efficient flow of goods and passengers to our ports. That will also help with transport connections and attract inward investment, because offshore energy installations and ferry infrastructure are all parts of a package.

I fully support the joining up of that process, but I understand the pressures on national and local authority budgets. We particularly want local councils to be given more money to spend on all the good services, including on protecting and maintaining local authority-owned ports. It is a question of money, which is difficult in this age but, if we have that spending, it will bring economic benefits, both nationally and regionally. It is worth bearing in mind the value that that can create.

Martyn Day: There are roads to all our ports, but how many ports have rail connections? How well are they integrated?

Richard Ballantyne: I am not sure about passenger services, but there are intermodal freight services to places such as Grangemouth and Greenock. Those are busy—sometimes busier than the ports—with regard to container activity. The sector has an aspiration to see more rail freight nationally, but our geography and economy mean that it is often cheaper and more

efficient to use lorries. Road transport is king across our diverse network of regions.

Martyn Day: I will come back to the issue of rail freight in a wee while, because it is one of my pet subjects.

My next question is about climate change and the increasing incidence of severe weather events. What impact is that having on ports and harbours and what does that mean for maintenance and upgrades? I put that question to Jacqueline McDonell first.

Jacqueline McDonell: I can give one example. In 2019, we built a passenger access pontoon for the ferry to Knoydart. It was built to a standard designed to deal with a once in 100 years storm but, since I came into post in 2019, we have seen that passenger pontoon sitting above the height of the pier at least six times. That means that what we expected to happen once in 100 years has happened six times in the past six years.

Our existing ferry infrastructure is still being maintained and it is fine, but there are issues when we are building new infrastructure. When we got a marine licence for a smaller project, we were asked to build the new quay a metre higher than the existing quays, because of the potential impact of flooding. That causes issues, because we end up with stepped infrastructure—we are steadily going up the way, and it is difficult to join into the existing infrastructure. However, we all recognise the issue. As the infrastructure ages, we must take steps to future proof—everything is about future proofing.

Martyn Day: What is that likely to cost?

Jacqueline McDonell: That is incorporated in the cost if we are building new infrastructure, but it would add to the cost of renovating existing infrastructure. In Mallaig, we hope to build new infrastructure, so there would not be an additional cost.

Martyn Day: Do you have any thoughts, Calum?

10:00

Calum Mackenzie: As has been said, it is important to take a holistic approach to transport and the routes taken. You mentioned climate change, and, although one of the predictions is a sea level rise and we can design and build to that, one of my main concerns, being on an island in the Western Isles, is that the frequency of storm events is likely to triple. Potentially, that means three times more disruption to services, so it is important that the infrastructure is resilient enough for vessels to berth and push themselves off the berth in high winds. That is a concern, and we need to work with CMAL and CalMac to ensure that the new vessels that are being procured and put on to the infrastructure are capable of operating in more severe weather conditions. That is more a technical question for CalMac to answer.

The road networks that lead to the piers and harbours are fundamental to the whole transport route. We might find that there are increasing restrictions on some of those routes due to flooding. The road from Ullapool to Inverness is reasonably good. The one restriction in Ullapool is the amount of storage or laydown space, which might impact major developments. Part of the road through Skye is a trunk road that can become very busy during the tourist season, which can impact on freight.

A holistic approach to the whole transport route and network is fundamental. SCOTS can help in that regard because, through that group, we have a very good handle on roads asset management costs. That could be overlaid on infrastructure requirements for the ferry network, and for piers and harbours. There is a good bit of background work on roads and roads investment, and it might be useful to overlay that on the work on ports and harbours.

Kevin Hobbs: There are two elements to consider. On ports, when we build new ports, we take climate change into account. We can look at Lochaline and the ongoing redevelopment at Cumbrae as examples, because we have built those between 1m and 1.5m higher as a climate change adaptation. When we do a new project, first and foremost, using the information that we have, we ensure that it is future proof because, as I said, such investments should last for about 60 years. As Jacqueline McDonell said, storm frequency is getting higher and higher, which is problematic.

The ferries that we are building are a lot more agile and powerful than the ones that we have built before. However, I must say—Duncan Mackison might want to come in on this—that there comes a time when no master mariner will go to sea, no matter how good the ship is. If you take passengers out in force 9 or 10 winds, you will have casualties all over the place. You can build in some form of investment to protect things at the margins but, ultimately, undeniably, there is no way that you can design out severe storm events. In those cases, you simply would not go to sea, because it would just be too dangerous—it is as simple as that.

The Convener: Martyn, I am conscious of the time and you still have a few questions.

Martyn Day: Thank you. Duncan, do you want to add anything?

Duncan Mackison: There are lots of experts in weather out there. As Kevin Hobbs alluded to, with weather changes, the decisions that masters make under certain circumstances are a lot more visible, which puts a sometimes quite public and pointed pressure on them as individuals. We have to take care with that and ensure that masters are in a position to make those decisions.

On infrastructure, clearly a lot of ports and harbours are located where they are because they have traditionally been in the lee of the wind. The wind has changed direction in some places, wind strength has increased and weather conditions have become more severe, so it has become harder over time to get in and out of some of those harbours, even though some vessels are getting much more powerful and manoeuvrable.

We are starting to notice, too, the need for ports of refuge and the frequency with which we are having to use them. Some vessels might not be able to stay on their route and might have to go somewhere else. Therefore, the questions of how soon the vessel can depart from where it is to go to its port of refuge, as well as which port of refuge it is able to go to, come under scrutiny. Resilience in relation to network design and ports is not only about the routes but about where vessels might need to go under certain circumstances, which we are seeing more frequently.

Martyn Day: I am mindful of time, so I will move to the next question. I will stay with you, Duncan. What are your organisations doing to improve the physical accessibility of port and harbour facilities? What can be done to improve that, particularly for disabled passengers?

Duncan Mackison: As an organisation, we work with several accessibility forums and we are keen to expose ourselves to ideas and input on that matter. We find that simply moving around in ports and on vessels is getting more complicated in certain places—cars are getting bigger but lanes are getting narrower, and it is therefore harder for people to get in and out of cars. As the population gets older, we rely on lifts more and fewer people can use stairs. From a health and safety perspective, there has been a rise in slips, trips and falls, and various other accessibility issues.

However, we are open to improving the infrastructure that we have. We need to know about, and design, accessibility from the start when choices are made about future vessels, infrastructure and services, and we try to do that with new facilities.

Martyn Day: When you look at those factors, are disabled passengers involved in testing whole-journey routes?

Duncan Mackison: Yes. We work with representative organisations to look at the matter. However, it is a known challenge where we have older infrastructure.

Kevin Hobbs: Four or five years ago, we started putting in changing places toilets in the new terminal buildings that we are building for all the larger routes, and we have rolled them out to the ships as well, so we now not only have male, female and accessible toilets but changing places toilets.

As Duncan Mackison said, we are joined up with several local and national accessibility panels and we are building in what we can. That is happening for all our infrastructure. It probably does not make it absolutely perfect, but there have been a lot of investment and enhancements in the ships and ashore to accommodate that sort of thing.

The Convener: Martyn, I will allow you to come back later with questions on freight. Do you have any more accessibility questions?

Martyn Day: No, that is it.

The Convener: Thank you very much for your understanding, Martyn.

Why is the MV Glen Sannox not in an area that has access to liquefied natural gas?

Duncan Mackison: The Glen Sannox has been used as a resilience vessel over the summer and that was purely as a result of our deploying vessels where we had need. No LNG is available in most of the places, so we have operated the vessel on marine gas oil—which is diesel—to enable her to fulfil the need and the use that we have to put her towards on the network. Although that was not the initial intention when she was commissioned all those years ago, it worked successfully over the summer.

The Convener: It is the most expensive ferry in the fleet and it has a modern design with dual fuel, but it is being used as a back-up vessel without LNG. Did the ministers have any view about your decision to move it to an area where it is not using LNG?

Duncan Mackison: I do not know the answer to that. We made the decision based on operations at the time and where we needed to send a vessel to maintain services. That was the basis on which the choice was made to redeploy her.

The Convener: The fleet has been ageing for some time. You must have known that there was a potential need for back-up vessels in the northern area. Did you feed in to ministers at the time that running it dual fuelled might be a waste of money?

Duncan Mackison: That predates my time in this role. When the vessel was commissioned, there was not a set of circumstances with the scale of disruption that we had at the start of this year and in the spring. The organisation did not face breakdowns on the same scale.

The Convener: We knew that the fleet was getting really old—I mean, Maggie Thatcher got most of the ships.

Duncan Mackison: There was an intention back then that more of the fleet would have been replaced by the time the Glen Sannox came into the system. There was an assumption that the Glen Sannox would operate in Arran and that that would be where she would stay. It transpired that, operationally, that was not the best thing for us to use her for.

The Convener: There are the issues around Ardrossan. However, until the vessel was moved, the use of Glen Sannox involved tankering up the LNG from 500 miles away down south each time, because we do not have the capability up here. Why did that happen? I know that there were issues about the ownership of Ardrossan and the investment that was required there. Surely, that is an example of where construction of the ferries and investment in the harbours were not aligned. Is that likely to happen again? Do you foresee it happening? Talk me through the issues. Kevin Hobbs is probably more able to do so.

Duncan Mackison: I am sure that Kevin Hobbs will come in in a minute. As I understand it, way back when the Glen Sannox and the Glen Rosa were commissioned, the intention was that there would be an LNG facility, possibly at Grangemouth, which would act as a hub, and the vessels' use of LNG would build the LNG network in Scotland. That did not transpire, so by the time the vessels came along, the only way for them to be refuelled with LNG was by tankering it up.

Kevin Hobbs: Duncan Mackison has explained it relatively well. The decisions go back to 2012 and 2013—they predate me, and I have been at CMAL for nearly 11 years, so it was a long time ago. To be frank, nobody really thought that building the vessels would take nine and 11 years and counting.

At the time that that decision was made, LNG was seen as a fuel of the future. There has been talk about whether it is—it is not as popular now as it was at the time. As Duncan said, when the decision was made, the only place that could load out a tanker was in Kent, and that was known at the time. However, there were three potential consenting processes in Scotland—one on the west coast and two on the east coast—that would have given us a tankering hub in Scotland. That never transpired. LNG facilities cost billions—they are a huge investment. We spend enough money already, and LNG facilities cost many billions of pounds. Unfortunately, that never happened and, if you want LNG, there is only one place in the UK where you can load out a tanker, which is in the Isle of Grain. That is a fact.

The Convener: On top of all the problems that we have rehearsed many times with the Glen Sannox and the Glen Rosa, that is just the ultimate farce, is it not? We are now not using the newly designed LNG dual-fuel systems on the two vessels because one is going up north and there is no local facility for the other one. Was making that decision not a gamble at the time?

10:15

Kevin Hobbs: I cannot speak for people who were involved at the time, to be honest with you, but I really do not think that it is a farce. It is important to understand that dual-fuel systems have merit but that, as things stand, given all the toxic shocks that have happened over recent years—Ukraine and Iran recently, and going back to the tsunami that affected Fukushima back in the day—the price of LNG has escalated beyond anything that anybody could have ever imagined. It is hugely expensive at the moment. Having owned part of a ferry company back in the 1990s, my opinion is that there is no way that, even if you had a dual-fuel vessel, you would use fuel that is two or three times the price of MGO.

Duncan Mackison: Another point that is perhaps worth making is that, although the new Islay-class vessels from Turkey use MGO, they are much more fuel efficient than the MGO vessels that they are replacing, which means that, on certain runs, we will see a significant reduction in fuel consumption—it will be perhaps 30 to 40 per cent less. The technology in those sorts of engines improved significantly after the decisions on LNG were made.

The Convener: Will the Glen Rosa definitely use LNG?

Kevin Hobbs: It is being trialled for LNG, yes.

The Convener: Given what Kevin Hobbs said about the price, will it definitely be used? Is there any doubt about that?

Duncan Mackison: There is a question mark, in that that decision will basically hinge on the investment case for installing LNG facilities in the place where the vessel will run from.

The Convener: So, it will depend to a degree on whether the facilities are installed, and also on the price. Is it the case that, if the price is too high, you might not use it?

Kevin Hobbs: Yes.

The Convener: Okay. That is relatively new information. I do not think that many people know that we might not actually use LNG from now on. That is significant.

Richard Ballantyne: I can add something on the national context. Kevin Hobbs said that he was not around back then, but I was, although I stress that I was not involved in any decisions on procurement and so on.

The ports industry has really struggled to get clear sight from the wider shipping industry about what it wants from ports in terms of fuel provision. The future fuels initiative has been around for about 30 years, and back then there were lots of plans at national level around exploring what the shipping industry wanted and what provision would be available at ports.

That is a very fast-moving target. The wider shipping industry is not one collective, and it does not make uniform choices. Therefore, it is quite difficult for ports and others to predict what will happen with fuels in the medium and long term. As Duncan Mackison suggested, global trends on fuel prices completely skew certain considerations. We have seen shore power facilities built in good faith that are not being used because the shipping industry still finds it cheaper to burn diesel fuel. We cannot tell the customer what to do, so it is a very difficult thing for ports to respond to.

The Convener: I want to quickly ask Duncan Mackison about Cumbrae, because we have heard quite significant complaints from the community there about the change to the timetable, which has led to two-and-a-half-hour delays, and quite significant complaints from the business community. What are you doing to change that?

Duncan Mackison: We made the changes to the Cumbrae timetable primarily due to safety issues. Across the network—

The Convener: I know why it happened. I want to know what you will do to fix it.

Duncan Mackison: We are discussing with the local community what the future timetable will look like. We have made some adjustments to it, which would reduce the turnaround times from 10 minutes to seven minutes at either end of the day, and we have already increased the length of the summer timetable, which affects the length of time that there are two vessels on the route. We think that, in combination, those measures represent a good adjustment, and the results of the survey that came out showed that that was recognised and appreciated. That is what we have done, but what we cannot do is roll back on the issue of simultaneous operations—that is, having people and vehicles on a ramp at the same time, which, as you know, was the reason for the changes.

The Convener: Another issue is the lack of co-ordination when the MV Loch Shira underwent planned maintenance. That resulted in considerable delays of up to three and a half hours. I understand, however, that although the maintenance finished at 5 o'clock, the crew went home and there were no welfare facilities for passengers, who were left waiting for an excessive amount of time. Why did that lack of co-ordination happen?

Duncan Mackison: That was a mistake on our part, to which I have publicly admitted.

The Convener: So, that will not happen again.

Duncan Mackison: No. We should have allocated a second crew, which is what we had told the local community, but, because of an internal issue, that did not happen. That was why the situation arose—for which we are apologising.

The Convener: Thank you.

The final issue is about communication. The local ferry committee and the community council feel that you make decisions and simply tell people about them, rather than consulting and engaging with them. Do you recognise that? If so, what will you do to fix the situation?

Duncan Mackison: I do not recognise that. In the run-up to the current discussions, we have had six meetings with the local community council, so we feel as though we are having that engagement. The issue is one of disagreement on the solution and the timetable, rather than the communication, in my view.

Donald MacKinnon (Na h-Eileanan an Iar) (Lab): I apologise to everybody for being late: I had other parliamentary business. I am sorry if anything that I ask about has already been covered.

I would like to start with CalMac's written submission, and with you, Duncan. It makes very good reading. I think that your aspirations and where you would like to be are what islanders want to see happen. As I assume you would acknowledge, however, that is not happening. What is going wrong just now? What needs to be done to make things better and to realise the ambition that you have set out in your written submission?

Duncan Mackison: Most of the issues that we have at the moment are a direct function of disruption or breakdowns and the vessel deployment that we have. In spring, we had 10 vessels out of commission at one point, which was a very testing set of circumstances. By contrast, over the summer, we had a resilience vessel, and

things were very much more settled. The contentment in the communities was excellent over the summer; not so much in the past month or so. The statistics bear it out: satisfaction was good over the summer.

Looking ahead to winter and into next year, as we get four new vessels into service, we should see some stability returning to the communities and to our service. For me, most of that is about the vessels and the disruption that we have suffered as a result of having an older fleet.

Donald MacKinnon: I think that everybody recognises the situation with vessels' unreliability and breakdowns. I will come to that later in my questioning. What I was hoping to get at is more about the circumstances that have led us to where we are just now. I am thinking more about structures and relationships. We are talking about the interaction between ferries and ports, and with CMAL as well. Indeed, I will perhaps come to Kevin Hobbs next.

First, however, what is it in those relationships, in the planning that goes on and in interactions with Government that have led us to where we are? What do we need to do differently to get out of the present situation and to realise your ambition?

Duncan Mackison: It is not perfect. We have put a lot of effort and resource into community engagement and linkages. We are doing more of that than we have ever done. We have introduced area managers and deputy area managers, and we are focused on communications—which is sometimes difficult, because of the nature of the issues that we deal with. Ultimately, once there is a stable service and the right resources are reliably in the right place, much of that will just settle. That is what we are seeing.

Donald MacKinnon: Kevin Hobbs, do you have anything to add, particularly on the relationship between the players—such as you, CalMac and the Government—and the perception of what islanders want from ferry services and what they expect to receive?

Kevin Hobbs: What islanders want is certainty, reliability and resilience. The core issue here is that there has been underinvestment for many years. That is not a political issue. Since the turn of the century, there simply has not been enough investment. We have accelerated investment in the past few years. However, you were not here earlier when I said that a port project, from inception to delivery, takes five years. It is more or less the same for a major vessel and a bit less for a smaller vessel—maybe four years. These are long-term plays. There has been a lot of investment, but, for various reasons, it has not really come to fruition so far.

We took delivery of the MV Loch Indaal—the second of the four new ferries from Turkey—last night at quarter to 6 UK time and quarter to 9 in Turkey. Despite what people might think, the interaction between CalMac, CMAL and Transport Scotland is good. We sat down as a tripartite for seven hours yesterday. That relationship works pretty well, but you will not see a tangible change, realistically, until we get all six major vessels in and, next year, start receiving the first of the seven vessels that are being built in Poland. We will leave the northern isles to one side for a minute, because we are talking about the Western Isles. Those new ferries will be a game changer. Six brand-new major ferries and seven smaller ones, and more in the pipeline, will mean that the average age of the fleet is reducing. Further, the performance and resilience should be much better than it has been.

Donald MacKinnon: The CalMac written response picks up on the interaction between vessels and ports, and—as you touched on, Kevin—the five-year timeline for the project to be realised. I turn to three interconnected projects: the replacement of the MV Lord of the Isles, the infrastructure upgrade at Gasay and the vessel that will serve Mallaig in future. The last of those is relevant to you, Jacqueline McDonell.

How are those projects progressing? How confident are you that they are progressing in tandem, and that the vessel procurement process and the port infrastructure projects at Gasay and Lochboisdale are moving at the right pace? Will the new ferry and the new pier be delivered at the same time, providing the islanders of South Uist with the service that they need?

Kevin Hobbs: There are three component parts, the first of which is the vessel. On 30 November, we will receive bids from the shipyards that we invited to tender, and it is our hope that we will have wet ink on a contract for a vessel before the end of this financial year—in other words, prior to 31 March 2027. I cannot prejudge where the vessel will be built, and some places build quicker than others, but let us just say that it is a three to three and a half-year process to build the ship.

The Gasay facility will be built in tandem with that. We have done all the ground investigation for the facility—obviously, it will need to get consent—and we are on to the detailed design. Currently, the disconnect is Mallaig. Again, you missed me saying this, but we have set off on a project that we need to formalise to get the right facilities into Mallaig. Although the current facilities at Mallaig are not completely optimal, they can take the new vessel. There needs to be investment in Mallaig and a new part of the port needs to be built. Considering the popularity of the route and the number of vessels that are using it and so on, there

is a suboptimal solution there. That is not to say that the current vessel for the small isles—the Mallaig-Armadale and Mallaig-Lochboisdale routes—will be impacted.

10:30

Donald MacKinnon: Jacqueline McDonell, what has your experience been of the process so far, and what needs to happen to ensure that the project becomes a reality?

Jacqueline McDonell: We have been talking with Transport Scotland, CMAL and CalMac throughout. When the project was taken forward to Transport Scotland, one of the options was to do the minimum, which we all considered. We have talked today about future proofing and taking a holistic approach to everything. The minimum option would have addressed the ferry's immediate infrastructure requirements, but it would not have sorted any of the other issues. It would not have provided a linkspan and a slipway, both of which are necessary.

Some of the vessels that operate from Mallaig use a slipway, while others use a linkspan. At the moment, they are all operating from a single linkspan, which constrains the timetable. At the height of the summer season, we can have up to 25 ferry movements a day from Mallaig, so things are a wee bit congested.

As I said earlier, all of our issues in Mallaig are positive ones. They come from growth in the communities that we serve, which is an aspiration of this Government. We need to take the leap and spend a lot of money to build the new infrastructure, because that would provide the future proofing that we need, including a new terminal building. The current terminal building is not really fit for purpose.

I think that only two routes on the network carry loose freight, and the small isles route is one of them. That freight is growing exponentially year on year, but at the moment it is being managed from two portacabins at the back of the CalMac office, which is absolutely suboptimal. Disruptions really cause issues, because the freight builds up. We do not have enough marshalling space, either.

There is a range of issues; it is not simply about the infrastructure for one ferry coming in. As Kevin Hobbs alluded to, we are installing sensors so that we can measure the force that the Lord of the Isles exerts on the fenders. We can then set parameters for the new vessel and know that it can operate safely from the existing infrastructure in the short term while we develop the longer-term project.

The Convener: Donald, we are a wee bit short on time.

Donald MacKinnon: I will pick up the pace. How much longer do I have?

The Convener: I can give you another three minutes.

Donald MacKinnon: I will rattle through my next question.

Duncan Mackison, I picked up on something in your written submission on the impact that vessel breakdown can have on the wider network, which is something that you want to move away from. The thing that probably keeps you up at night is something happening to the MV Loch Seaforth, which is stuck in dry dock for an extended period. That has led to disruption in Lewis, Barra, South Uist, Islay and Mull—the disruption across the whole network has been massive.

That must be at the forefront of your mind. How can the development of new vessels and port infrastructure be at the forefront of trying to avoid that in future?

Duncan Mackison: The point that we were trying to make was that, if you have interchangeable vessels and port infrastructure, you will not get stuck in the position in which one vessel developing an issue with its rudder stock and having to send it away to Denmark means that you then have to move three or four other vessels around, impacting two or three communities as a result, exactly as you describe.

Donald MacKinnon: There was extensive disruption over summer. Disruption on the Sound of Harris started earlier in the year and continued over summer, and the MV Loch Portain is still out of action for a prolonged period. I must say, as I have put on record in Parliament before, the crew on the MV Loch Bhrusda are doing a tremendous job getting passengers across the sound, but it is a totally impractical situation for those communities. That needs to be resolved as soon as possible.

That is obviously very closely connected to the small vessel replacement programme phase 2 and the need for new vessels on that route, which I think the committee will take evidence on.

Duncan Mackison: I was in the engine room of the Loch Portain on Thursday afternoon looking at the issues relating to the coupling device that is being manufactured in Germany. Its delivery has been delayed and it will not be available until January. I recognise that the Bhrusda will be there only for another day or so, after which an alternative route will be put in place. The story of the Loch Portain illustrates the vulnerability of having only one or two vessels that are able to operate on a particular route. That needs to change.

Donald MacKinnon: You have already alluded to the fact that there were more cancellations across the network in April than there were in the whole of 2015. It was a period of intense disruption. I have touched on some of the other disruption that there has been across the network, which continues as we speak.

It has been reported in the press that you received a £58,000 pay rise, which took your remuneration to £278,000. Are those figures correct? Do you think that you deserve that level of remuneration, given CalMac's performance?

Duncan Mackison: Those figures are not correct in the way that they were produced. There were three numbers involved. One was my basic salary, which increased year on year by the pay increase rate that was the same across the rest of the business. The second figure comes from my pension payment, which was incorrectly lumped into that. My pension payment is paid to me gross because I am in a different system—I am not in the CalMac system—so that number should not have been included. There was another number, which was a retention payment, which the board wanted to give me when I started, for the work to enable the transition to the Clyde and Hebrides ferry services 3 programme and everything that was involved in that. When I came in, the board wanted to ensure that that piece of work was seen through. Those were the three elements.

The direct comparator is not correct, but the total figure—including pension—is the right number. It was just quoted in the wrong way.

Do I think that I deserve it? That is for our shareholder and the board to form a view on. I think that we are making progress in very difficult circumstances, but it is not my place to comment on that. That is for others to do. We have a shareholder and a board. They are the ones who must take a view on my performance.

Donald MacKinnon: I want to pick up on your point about pension. I did not use the term "salary"; I used the term "remuneration". I think that your pension contributions are part of the remuneration for your job, as is the other payment. Do you dispute the total figure?

Duncan Mackison: But they were not included in the figure for the previous year. It changed, because—

Donald MacKinnon: Is the £278,000 figure correct?

Duncan Mackison: Including pension, that figure is correct. However, when I came back, I did so at very short notice and was there for only six months, so there was a much lower pension.

Donald MacKinnon: So you are disputing the figure for the increase, but not the total remuneration.

Duncan Mackison: That is correct.

Donald MacKinnon: Thank you for clarifying that.

Do you understand why members of island communities might be a bit alarmed to read that and might question your level of remuneration?

Duncan Mackison: Yes. I have to earn my corn. As I said, ultimately, it is for the board and the shareholder to take a view on that.

Donald MacKinnon: I appreciate your being so candid.

The Convener: I apologise for cutting you short, Donald.

Graham Simpson: Jacqueline, I came to see you in August. It was a fantastic trip. I am really glad that I visited, because I did not want to not speak to you. I am pleased that other members have a great interest in Mallaig. It is a fantastic success story, as you have said already. Is the new £100 million breakwater likely to happen? I suppose that Kevin Hobbs could answer that as well.

Jacqueline McDonell: I think the answer is that it has to happen. If we are to commit to our rural communities and the people who live in them, it has to happen. As a trust port, we will work with whoever it takes to make it happen. That will probably be CMAL and the other people around this table.

Graham Simpson: If the breakwater project is to go ahead, it will involve CMAL. Kevin, what is your view on the likelihood of its going ahead?

Kevin Hobbs: As Jacqueline said, it has to go ahead, one way or another. As I said to Donald MacKinnon, there is a bit of a disconnect at the moment, but that will not stop the existing ferry services. That investment in Mallaig has to happen. We should bear in mind that four small isles are relying on it happening. Armadale, which is one of our ports, is relying on it happening, as well as Lochboisdale and, in the future, Gasay. Therefore, it absolutely needs to happen.

It is also worth mentioning that, although the facility is not life expired, it is not young. We will be working closely with Jacqueline McDonell—I sometimes spend more time with her than I do with my wife—because, ultimately, we need to take a joined-up approach. It will be a five-year project, although the Lord of the Isles replacement will appear before that, and we need a formal plan. In my view, it is not acceptable not to do the project, because, notwithstanding anything else, if we fast

forward 10 to 15 years, that single point of failure—[*Interruption*.]

God, I am sorry—I should have turned my phone off.

Duncan Mackison: It is your wife calling. [*Laughter*.]

Graham Simpson: Mrs Hobbs, where are you?

Kevin Hobbs: I am sorry.

If we fast forward 10 to 15 years, the facility will be 60 years old and will need to be replaced anyway. Some of the replacements that we provide are a function of a new ship, but, sometimes, it is purely a case of the facilities basically running out of steam. The facility at Lochboisdale is a typical example of that—it is just too old.

Graham Simpson: I will move on, because we are short of time.

When Alison Irvine was in front of the committee in September, I asked her about the way in which ferries and ports are funded. Kevin Hobbs, when you procure a ferry and get the go-ahead, the Government gives you a loan, which you must pay back, plus the rate of interest. Is that the best way to do things?

Kevin Hobbs: Absolutely not.

Graham Simpson: No, I did not think so. What would be a better system?

Kevin Hobbs: It would be better if we got a grant from the capital fund, which is where the money comes from anyway, rather than a loan. With the current situation, we are almost mirroring the situation with a normal ship's mortgage through a bank. We borrow money, with milestone payments, and everything is wrapped up at the end and we pay back the money, with interest, over 25 years.

I will give some numbers. Of course, the numbers change because interest rates change at the point at which we take delivery of a ship. However, at the moment, if we have, say, a £50 million ship—the cost of the ship might become £60 million once everything is wrapped up—and we pay for it over 25 years, with current interest rates, we probably pay back somewhere in the region of another £90 million.

Graham Simpson: Another £90 million?

Kevin Hobbs: Yes.

Graham Simpson: Blimey.

Kevin Hobbs: We can think about compound interest with a mortgage for a house. If you take out a mortgage for 30 years, you almost always pay more than double the original cost.

We are discussing two pieces of work with Transport Scotland. One is about the way in which we receive grants for our port infrastructure, and the other is about voted loans. My view is that, if it is possible, all the money should be provided as capital funding, with no voted loan, so there is no interest. That would substantially reduce the overall cost over time.

There is a bit of a funny system with ports at the moment. Basically, if we need anything up to £20 million, we can receive 100 per cent grant funding; if we need anything from £20 million to £45 million, CMAL provides 20 per cent, with match funding; and if we need more than £45 million, CMAL provides 40 per cent. That means that we must save up a lot of money in our piggy bank, if I can put it that way, for our port projects. If there was 100 per cent grant funding, we would not have to do that, which would mean that the charges for the use of harbours would come down dramatically, because we would not need to provide any capital funding.

Graham Simpson: I agree that it is a completely ludicrous system.

Kevin Hobbs: I did not use that word.

Graham Simpson: Well, I did. I think that it is ludicrous, and it needs to change.

I want to ask about the small vessel replacement programme, if that is okay.

10:45

Kevin Hobbs: Yes.

Graham Simpson: We have a second phase of that programme to come, with two vessels.

Kevin Hobbs: Two, or possibly three.

Graham Simpson: Two, or possibly three, but if there are two, am I correct in thinking that they are for Harris and Barra?

Kevin Hobbs: Correct—the Sound of Harris and the Sound of Barra.

Graham Simpson: Okay. I was having a look at your website, and I saw that you were meant to have funding in place and to be procuring those vessels in quarter 3 this year, with delivery in 2029. As we know, the Government wants to make a direct award, and we will come on to that, but that seems to me to have delayed everything. Are we running the risk of delivery not being in 2029, given that you have not even got to the point of funding being in place and the procurement happening?

Kevin Hobbs: We were ready to go. The outline business case had not been signed off, but all of this has now effectively been wrapped up in the direct award. Therefore, my answer is this: while

the Government is contemplating this, we cannot move forward, because we will not have the letter that will allow us to get a voted loan. We cannot go out to procurement until that particular piece of work is concluded. However, we have done all the work on the concept, the design and the technical stuff for the future ferry, and we are ready to go.

Graham Simpson: In fact, you have pictures of the designs on your website, if anyone wants to have a look.

In other words, the whole thing is going to be delayed, so we probably will not be seeing those vessels in 2029.

Kevin Hobbs: It depends how long the delay is. We were hoping to get them in early 2029; if the procurement is delayed by 9 months, it might be late 2029. What is undeniable is that, if a ship takes X amount of time to build, not tendering for it, not making that decision and not awarding the contract will have a knock-on effect, for sure.

Graham Simpson: So, behind all of this lies the Government's wish to make a direct award to the Ferguson Marine yard for the—let us say—two vessels. What is your view on that?

Kevin Hobbs: I could be here for an hour explaining it, but I will try to do it very quickly.

It is fair to say—indeed, it was out in the public domain prior to and after the election—that the Government is standing behind Ferguson's as the last commercial shipyard on the Clyde. To be frank, we as an organisation have no quarrel with that. If that is what the Government wants to do, that is absolutely fine.

As it stands, it is not lawful for CMAL to make a direct award. There are a number of measures that you can take, and one of them, which we are taking, is to change from a public corporation into a non-departmental public body. That has nothing to do with this direct award—it is to do with the direct award of the CHFS contract. We would have to be something called Teckal compliant, which is very complicated. However, we might find ourselves sometime next year in a position where our shareholder could instruct us to make a direct award. As it stands at the moment, it is not lawful for us to do so, but it could be lawful in the future if we make these changes to CMAL.

Moving on, our reason for being is owning assets and ensuring that, to the best of our ability and with the funds that we are given, new vessels, and new ports, get built. That is CMAL's core aim and value—that is what we want to do. Are we always successful? No, because we do not always get all the money that we want, to do what we want to do. Obviously, our board has talked about this quite extensively, and if it were to come to pass that the Government wanted to give what was effectively a direction—and if it were legal for us to receive it—we would have to do it.

If you are asking me for the opinion of CMAL and the board, I would say that, although we want to see the shipyard survive, we do not believe that building ferries there is the right thing to do for the island communities. What we have witnessed is that, as you will be very well aware, the vessels that the yard is currently building have not been value for money and have been heavily delayed. We would not want that to happen to the small vessel replacement programme, because, as Donald MacKinnon has said, with the Loch Portain being out of service, those ships need to arrive in a very timely manner.

That is the reason. It is not that we do not want a near neighbour of ours, which the shipyard is, to survive. However, from a commercial perspective, I, and the board, do not believe that we ought to be building ferries there at this point in time. We need them at pace, and we need them to be value for money, and we do not think that, as it stands today, either of those things will be the case.

Graham Simpson: Okay. So, in your view, in the interests of islanders, you would rather not make a direct award to the Ferguson Marine yard.

Kevin Hobbs: A hundred per cent, and we have written to the Government to tell it so.

Graham Simpson: You have told the Government that.

Kevin Hobbs: Yes.

Graham Simpson: And what has been its response?

Kevin Hobbs: Nothing yet. It was only relatively recently that we had our board meeting and wrote the letter.

Graham Simpson: Okay. That was very clear.

Kevin Hobbs: Ultimately, with regard to the direct award, you will really need to speak to the cabinet secretary to find out his and the Government's current thoughts on the matter.

Graham Simpson: As you know, he is on next, so we will be able to ask him.

Kevin Hobbs: He will probably kick me as I walk out of here.

Graham Simpson: You are bigger than him, so you should be okay.

The Convener: Thank you very much for your very enlightening evidence this morning. I want to apologise to Calum Mackenzie for not bringing him in much for the last few questions, but we really appreciate his joining us remotely. To those who are here in person, I want to say that we have had a very valuable evidence session, and it has set us

up with some important questions that we will continue to ask.

I now suspend the meeting to allow for a short break and a changeover of witnesses.

10:51

Meeting suspended.

10:56

On resuming—

The Convener: I welcome Stephen Flynn, the Cabinet Secretary for Economy, Tourism and Transport, who is supported by three officials. Colin Cook is the director of economic development at the Scottish Government, and Chris Wilcock is the director of ferries and ports at Transport Scotland. I am beginning to get worried, because this is Alison Irvine's third session with the committee—I wonder whether she just lives at the Parliament. She is the chief executive of Transport Scotland, and I welcome her here again.

I ask members to be concise with their questions and witnesses to be equally concise with their answers. I invite the cabinet secretary to make some opening remarks.

The Cabinet Secretary for Economy, Tourism and Transport (Stephen Flynn): Good morning. It is a pleasure to be back at the Transport Committee, and I look forward to providing updates and taking questions on ferries, ports and harbours. I welcome the fact that this is a key area of the committee's work. It is our vision that Scotland's ferry services, supported by other transport modes, are safe, reliable, affordable and inclusive for residents, businesses and visitors. It is essential that they enable transport connectivity, sustainability and the growth of island and peninsular communities and populations.

Since we last spoke, there have been a number of positive developments. We have marked one year since the direct award of the Clyde and Hebrides ferry services arrangements to CalMac, and we are making good progress with the procurement of the new northern isles ferry services contract. The MV Loch Indaal received relevant approvals for handover to CalMac just yesterday and is preparing to commence her journey to Scotland. I wrote to the committee on 29 October regarding the revised approach to the delivery of the MV Glen Rosa, and I look forward to her delivery and arrival in service in early 2027. I accepted the recommendations to change the handover date, allowing new propeller blades to be fitted and allowing CalMac to retain the MV Isle of Lewis in service for longer over the next few weeks. The decision gives the best opportunity for reliable, resilient ferry services and greater flexibility in managing crew and existing vessels. Earlier this month, I attended the transport winter resilience launch and was particularly pleased that we were able to host the event at the NorthLink Ferries facilities in Aberdeen, emphasising the importance of our ferry services during the winter period.

Although I am glad to be able to report that positive progress in a number of areas, I am conscious that the delivery of ferry services remains challenging and that there is more to be done to deliver our vision. I am determined to keep up that effort. Thank you for the opportunity to make these opening remarks. I am happy to take questions.

The Convener: Thank you. What is your reaction to the information that we received in the earlier evidence session that the Glen Rosa, which you have just referred to, and the Glen Sannox might never use LNG again?

Stephen Flynn: I was listening closely to the comments in the previous session, which were very informative. The determination that we will need to make is whether the economics in relation to LNG deliver for the public in terms of both expenditure and the reliability of services to the islands. That work is ongoing, rightly, because we must ensure that we are spending the public pound in the wisest possible fashion. I am sure that you would be supportive of that approach.

11:00

The Convener: The two most expensive ferries in the whole fleet were designed with this dual-fuel capacity and facility. They were subject to controversy last year over the leaking of gas, but, nevertheless, they are the two most expensive. Two factors were mentioned in the earlier session. One was the price of LNG, which you cannot control, but the second was the cost of building the infrastructure at Ardrossan. We know that there have been difficulties with ownership, but that would have been foreseen, so why is it a factor in the use of LNG? This is surely just down to price. You surely considered the cost of building the infrastructure instead of tankering it up from down south.

Stephen Flynn: As Mr Hobbs correctly outlined, and as you have alluded to, it was a number of years ago when the decision was made to ensure that the vessels were LNG. The world was then in a very different place both in terms of dual fuel and in relation to global economic factors, which we are now all burdened by every day, whether in the Government or in households across these isles. Taking those two things into consideration, which we must, the economics of the situation have changed, as Mr Hobbs outlined.

We are looking to undertake significant redevelopment work at Ardrossan, so, over the course of the coming period, we need to ensure that the determination of the extent of those works aligns with best value for the public. We know, because we have seen it up until now, that the vessels can operate without LNG; the Glen Sannox has been incredibly successful in that regard. Indeed, just the other day, in the chamber, I recited to you the figures showing its reliability. It has been crucial in providing resilience across the network over the course of its time in service.

The Convener: Thank you for those answers.

Graham Simpson: Cabinet secretary, how do you respond to Kevin Hobbs's comments that he does not wish to give a direct award for two ferries to the Ferguson yard?

Stephen Flynn: Mr Hobbs was very thoughtful in his remarks, and it was an argument that has been posited not just by him but by members of the Parliament in the chamber and by members of the communities in the islands. As a Government, we have to make a rounded determination in relation to the awarding of a contract and the delivery of a vessel to meet the expectations of the public. There is also the fundamental necessity to retain commercial shipbuilding on the Clyde. It was with that in mind that the announcement was made by my predecessor earlier this year in relation to SVRP2 and the two further vessels through Marine Scotland. As I have outlined to the Parliament, we remain committed to that to secure the future of Ferguson's and to ensure that we can deliver the vessels that islanders deserve.

Graham Simpson: What did you make of the letter that Mr Hobbs sent to you?

Stephen Flynn: It is perfectly legitimate and right that CMAL expresses its views. Mr Hobbs has done that in the committee and in writing, and all those views are taken into consideration, as are the views of members of the Parliament and members of the public. Ultimately, it is for ministers to make a determination as to what is in the best interests of the Government, the yards of which we are the owner, the community in Inverclyde and, indeed, the communities in the islands.

That is not a simple or easy process, as I am sure you can appreciate, but we treat it with the utmost seriousness, because of the consequences of our decision making. I am comfortable, content and supportive of the position that was taken by my predecessors, which is one that I have echoed in the parliamentary chamber.

Graham Simpson: I take it that you have seen that letter.

Stephen Flynn: Yes.

Graham Simpson: You have seen it.

Stephen Flynn: Yes.

Graham Simpson: Okay. I have also seen it—I got it under freedom of information. I was quite astonished to see it, because the content is stark. It covers the legality of direct award, but it also expresses CMAL's concerns about awarding the contract to the Ferguson yard. CMAL has three concerns, on value for money, delay and quality. If the convener will indulge me, I will read from that letter.

The letter is dated 12 October. On value for money, it states:

"the perspective of the CMAL subject matter experts is that the anticipated cost to design, fabricate and deliver the vessels at"

Ferguson's

"under a directly awarded contract is likely to far outweigh the cost that could be achieved through an open, competitive procurement inviting bids from a range of capable and experienced ship builders in the market, both domestic and international, including from a range of different locations such as Türkiye, Romania, Poland and elsewhere."

I will go on to other matters.

Stephen Flynn: I have the letter.

Graham Simpson: You have it? That is good.

Stephen Flynn: I told you that I had it.

Graham Simpson: Well, the public have not heard it, so I am reading it out.

Stephen Flynn: By all means.

Graham Simpson: Thank you.

On delay, it states:

"One of the most intractable concerns of a direct award is delay in the availability of these vessels to the islands they are intended to service. That delay may come in two forms.

First, we foresee a comparative delay of the duration of the design and build phases at"

Ferguson's

"as compared to the duration of that work by a first-class shipyard with a recent proven track record in production of vessels of this type".

It goes on:

"Second, we cannot escape the risk of additional delays occurring once the project is underway at"

Ferguson's

"such as we have experienced in the completion of 'GLEN SANNOX' and the still pending delivery of 'GLEN ROSA'.

On quality, CMAL says:

"It is ten years since 'CATRIONA' entered service and the Ferguson yard completed a small hybrid electric vessel.

It is understandable that, given the well-documented struggles of the yard in the intervening period and in particular since nationalisation, there is a nervousness as to the capability to produce high-quality vessels at pace.

Even were a value for money authorisation obtained, these risks of delay and potential compromise in quality for these ships is not something that can be similarly addressed through a written Ministerial approval. For any one of these reasons, and in any combination, the Board may reasonably consider that the proposed direct award is problematic at best and folly at worst."

I repeat:

"problematic at best and folly at worst."

The letter goes on:

"The CMAL Board feels strongly that the detriment to the island communities of a direct award to

Ferguson's

"far outweighs the planned benefit to the workforce of Inverclyde."

I am almost finished. It continues:

"As close neighbours in Inverclyde we understand the desire to retain jobs in the area but a combination of past performance in terms of time and costs"

make it

"difficult to see why a decision to build ferries would be made. Our observation would be to build other vessels at that facility but certainly not the ferries that are desperately needed to support the island economies.

The choice to build in Scotland is inescapably a political decision. In these circumstances it appears likely that, all other things being equal, CMAL would determine to open SVRP Phase 2 to international competition. If so, the shareholder's reserve power will be required to give effect to that political choice and Ministers shall need to instruct CMAL to make a direct award to"

Ferguson's

"in lieu of competition."

There ends the letter. CMAL asks that the letter be shared with you, and you have indeed seen it.

Stephen Flynn: Yes.

Graham Simpson: That is quite damning, isn't it?

Stephen Flynn: I am very interested, Mr Simpson, as a member of Reform UK, as to whether you think that I should be taking—

Graham Simpson: I am asking your opinion of the letter.

Stephen Flynn: No, no. I am intrigued as to whether you think that those vessels should go to Turkey, Poland or Romania or to Inverclyde.

The Convener: Cabinet secretary, can I just offer a word of caution? Mr Simpson, as a member of the committee, is asking you to comment not on his views but on the content of the letter from your chief of ferry procurement.

Stephen Flynn: Convener, I believe that, prior to Mr Simpson reading out the letter in its entirety, I respectfully outlined my position in relation to the political decision that would be required, weighing up all the factors, which, of course, the board of CMAL does not need to do. I do need to do that, and I take that responsibility extremely seriously.

With all due respect, it is important to highlight the contradiction between a member's party's political position and the view that he is expressing in committee.

The Convener: I do not want to speak for Mr Simpson, but he has not expressed a political opinion.

Graham Simpson: No.

Stephen Flynn: Well, he can clarify—

The Convener: He has simply read out the letter. It is important not to misrepresent what he said.

Stephen Flynn: I am quite happy for him to answer my question.

The Convener: He can speak for himself. I will hand back to Mr Simpson.

Graham Simpson: Let us stop trying to dodge the question, cabinet secretary—

Stephen Flynn: I did not, Mr Simpson.

Graham Simpson: —which you are doing.

Stephen Flynn: I addressed your question directly.

Graham Simpson: You are trying to deflect.

Stephen Flynn: No, I am not.

Graham Simpson: The letter raises serious issues, such as value for money—what do you think about that?

Stephen Flynn: It is incredibly important that what I, as a member of the Government, seek to do is ensure that, at all times, we can deliver on our objectives of providing vessels that meet the needs of islanders, and that we do so in a way that takes into account the need to maintain commercial shipbuilding on the Clyde.

I am not seeking to dodge anything, Mr Simpson. I have addressed that point on three, perhaps four, occasions already, but I was curious as to whether your position aligned with your party's position in that regard.

Graham Simpson: My position is irrelevant. You are here to answer questions. You are prepared to—

Stephen Flynn: I have answered the question, Mr Simpson.

Graham Simpson: You are prepared to ignore the view of CMAL that it would be better value for money to place the order elsewhere.

Stephen Flynn: It might be an old adage, but it is an essential one. Ministers are given advice on ferries from a variety of sources, whether that is CMAL, CalMac, port authorities in the trust port network or the private port network, the commercial sector, Parliament, the public or community boards. Ultimately, ministers decide, and we have taken a decision that I believe—and I have outlined this to Parliament on many occasions—meets the needs of the islanders while ensuring that we retain commercial shipbuilding on the Clyde. I believe that that is important, and I would have thought that that was perhaps a shared endeavour.

Graham Simpson: We all want what is best for the islanders. However, according to your experts, in a letter from both the chief executive and the chair of CMAL, they state that they consider that

"the proposed direct award is problematic at best and folly at worst."

Do you disagree with that?

Stephen Flynn: Without seeking to repeat myself for what I believe is the fifth time, I will draw your attention to a sentence in the letter that you read out:

"The choice to build in Scotland is inescapably a political decision."

I believe that that is the right political decision, not just for the islanders who will receive new vessels but for the workforce at Scotland's last remaining shipyard on the Clyde.

I do not need to tell you, or the committee, what would happen were the Government not to pursue the direct award, or what that would mean for each and every employee at Ferguson's right now.

Graham Simpson: Given what we have seen with the Glen Sannox and the Glen Rosa, which has still not been delivered, are you prepared to place an order with that yard whatever the cost and however long it takes to deliver the order?

11:15

Stephen Flynn: Helpfully, the letter that you have read from outlines the fact that Ferguson's has a history with these types of vessels, which are entirely different from the Glen Sannox and the Glen Rosa. I would not want you to suggest in the public domain that they are similar, Mr Simpson, because clarity of thought is essential in this regard, particularly with regard to the way in which we communicate to the islanders what Ferguson's can and cannot do. The yard has a strong record of delivering these sorts of vessels and I look forward to it delivering these types of vessels in the future, utilising the Inverclyde workforce, who I think deserve our support.

Graham Simpson: My question was, are you prepared to pay any cost and suffer any delay?

Stephen Flynn: It is important that, when it comes to the procurement of any asset by the Government, we undertake a fully robust assessment that will be detailed in a business case. Once that has been outlined to me, I will be able to make further announcements to Parliament. You know that we are going through a process with the Competitions and Markets Authority. We are engaged with it and will make submissions to it in order to ensure that we can meet the requirements of the Subsidy Control Act 2022. That has been well rehearsed in Parliament and I have been quite rightly held to account in relation to that process up to now.

Let me reaffirm—because I think that it needs reaffirming, given the lack of certainty on your part in this regard—that I am supportive of ensuring that we can retain shipbuilding on the Clyde. I would have thought that that would have been a shared endeavour around the table, but apparently not.

Graham Simpson: Well, nobody has said anything different on this committee.

Stephen Flynn: You have not said anything.

Graham Simpson: You have misrepresented me.

Stephen Flynn: You can clarify your position.

Graham Simpson: I am here to ask questions.

Convener, I am prepared to hand over.

The Convener: Cabinet secretary, your chief on ferry procurement has been very clear—in fact, I have never seen such a strong letter, and I have never before seen CMAL expressing its view with such clarity; I think that it is the first time that it has done so. If you are not following the advice of Kevin Hobbs and that organisation about the competencies of the yard, have you checked the competencies yourself?

Stephen Flynn: We of course remain in continued dialogue with the yard. As I am sure that Mr Cook will be able to outline to you, we are in direct communication with the yard on a weekly, if not daily, basis in terms of its business plan. I had to make decisions on that recently regarding the voluntary severance or early retirement of 70 members of the workforce. We are fully engaged with the yard in terms of its capabilities. As part of that, you will know that, were we to be in a position to move forward subsequent to the CMA process, around £14.5 million of further investment in the

yard would be unlocked to ensure that the vessels could be built in a fully functioning modern yard. That is an aspiration that we should be quite proud of, given that the alternative does not bear thinking about.

The Convener: My question was: what is your process for determining the competencies and capacity of the yard? If you do not trust CMAL's view, who is doing that assessment?

Stephen Flynn: As I believe that I have answered—

The Convener: No, you have not. I am asking about competencies; that is different. You have talked about infrastructure; I am talking about the people.

Stephen Flynn: Sorry—are you talking about the ability of the individuals in the yard to undertake their work?

The Convener: I am asking whether the workers there have the range of skills that are necessary to carry out this very important work. What process have you deployed to determine that?

Stephen Flynn: I am happy for Mr Cook to set out the detail of the conversations that he has had with the yard.

The Convener: Of course.

Colin Cook (Scottish Government): We were talking about the advice that we provide to ministers. One of the points that we provide advice on is the economic impact of a decision around the future of the yard on the community of Inverclyde and the economic value that that represents, to be set against the costs involved in the decision. The yard has submitted a 10-year business plan to us. As the cabinet secretary said, it includes investment in new plant and equipment to help narrow the productivity gap. We have had that business plan assessed by independent experts, both from a financial and a technical shipbuilding point of view.

It is also worth pointing out that the Ferguson Marine board is made up of experienced shipbuilders. The chief executive of Ferguson Marine is an experienced shipbuilder who cut his teeth in military shipbuilding. They can provide a weight of expertise to the cabinet secretary and others, which suggests that the yard has the plans and the capability to do the job that it has been set.

Stephen Flynn: To build on that, not too long ago, I had a conversation with Sir Simon Lister, whom all members will be familiar with, given his role with BAE Systems. Some of the work that BAE has undertaken has been in partnership with workers at Ferguson's. He was very complimentary of the work that has been undertaken at the yard. I would never seek to doubt the views of Mr Lister in that regard. If it is good enough for him, we should have confidence that the workforce in the yard is competent in its undertakings.

That perhaps goes back to a wider point, which is that it is right for the Government to support Ferguson's, which is exactly what we are doing.

The Convener: Okay. I did not quite get an answer about exactly how you have assessed the competencies of the yard and how you know that it has the range of skills required. Given that you have now effectively ignored CMAL, I assume that you are deploying the whole range of investigations into the yard that CMAL would normally carry out before awarding a contract.

Stephen Flynn: Convener, nobody has been ignored.

The Convener: Well, you are ignoring them.

Stephen Flynn: No, I am sorry, but nobody has been ignored. The views of everyone matter, and the views of CMAL matter a great deal to me. However, the point that I am making is that, ultimately, CMAL does not need to look into the very many factors that ministers have to look into. I outlined that in detail to Mr Simpson. The factors relate directly to employment in Inverclyde, and the social and economic impact on Inverclyde of there not being a direct award to the yard would be stark.

I am happy to share the figures with you, because that might allow members to better understand the important judgment that we have made, which is that we need to protect the incredibly highly-skilled workforce at the yard. I had hoped that that would be a shared view round the table. I understand the challenge that you have made: do they have the skills to build the vessels? I am confident that they do, based on the information that Mr Cook has provided and the anecdotal references that have been given to me by Sir Simon Lister.

Colin Cook: To build on that, I want to draw on what I have seen in terms of the work on the Glen Rosa, for example. CMAL has an ongoing role alongside the shipyard to ensure the effective delivery of a vessel. In respect of Glen Rosa, it meets CalMac and the yard every week or every other week. It is involved in the process of delivering the vessel. Therefore, we rightly expect it to be involved as the direct awards are made and as a vessel moves into production.

The Convener: CMAL has made its feelings very clear: it has used the word "folly". How can you say that it will be able to carry out the work of assessing the competencies if its view is that making a direct award is "folly"?

Stephen Flynn: I draw you back to my five or six answers to Mr Simpson and my earlier answers to you. The final page of the letter says:

"The choice to build in Scotland is inescapably a political decision."

The choice is a judgment for ministers to take, which involves taking into account a whole host of factors. I believe that we have made the right judgment in that regard, for islanders and also, importantly, for the workforce in Inverclyde who deserve a future.

The Convener: You referenced believing in the leadership at Ferguson's. I do not want to go through the whole list of what happened with the previous two ferries because I will not go through the painful episode of the past 11 years but, by my count, the funding was increased to build those ferries at least eight times. I have a list of about 12 individual significant issues. How can you trust the leadership of Ferguson's—I do not know what number of chief executive we are now on—to say that it has the competency in the yard when it has that track record? Kevin Hobbs and CMAL have been clear about that. Surely you cannot rely on Ferguson's to make a judgment about whether it is competent.

Stephen Flynn: No, which is why I expect my officials to constantly engage directly with Ferguson's, which has happened. That is why, prior to my making the decision about the voluntary severance and early retirement proposal that was put to me, I wanted the board to outline to the Government its intentions for its future business planning. We are in close alignment with the board so that we are fully apprised of all the challenges that it faces but also the opportunities.

The ultimate decision is whether we want Ferguson's to have the opportunity to survive, in the first instance, and then to thrive through investment and be able to evidence to people, not just on these isles but across the world, that it can be a commercially viable shipyard. My view is that we should have that aspiration for Scotland's last remaining commercial shipyard, and I fully support my predecessor's decision, which the Government continues to be committed to.

The Convener: With regard to the Sound of Harris and the Sound of Barra, from speaking to the communities concerned, we know that they are already screaming that the economic impact of their unreliable services is having a direct impact on their wellbeing. The MV Loch Portain is stuck in maintenance and has been unused for basically all of this year. Those communities need the ferries now. We were supposed to go to procurement in the third quarter of 2026, according to the letter, so we are surely behind schedule already. Are you absolutely saying that we will definitely have those two new ferries in 2026? If not, you had better tell those communities.

Stephen Flynn: I am not saying that we will have those ferries in 2026.

The Convener: I am sorry—I meant 2029.

Stephen Flynn: In his earlier evidence, Mr Hobbs outlined that CMAL had anticipated the small vessel replacement programme 2 being in a place that meant the vessels would arrive in early 2029. If there is a nine-month delay, the ferries could still be delivered by the end of 2029. Those were Mr Hobbs's remarks, not mine, and he is, of course, the expert in these matters, so I would not seek to argue with Mr Hobbs about his timelines in relation to—

The Convener: But you would argue with his conclusion—

Stephen Flynn: On the Loch Portain, I visited the area earlier this year—it was one of the first places that I went on becoming cabinet secretary, because I wanted to hear directly from the communities about the impact of what had happened, particularly in April but in the many years prior. It is important that we have first-hand knowledge. I was on the Loch Portain, and am very familiar with that stretch of water now and the particular challenge there. Without taking an engineering standpoint, because I do not want to go beyond my knowledge base, in essence, the boat has to zigzag across a very small area of water, and only a small number of vessels can do that.

To ensure that the communities were served, what we sought to do—or rather what CalMac sought to do, because, obviously, we delegate or contract that responsibility to it—was ensure that there was a vessel that could go from Tarbert. I appreciate that that bypassed the Sound of Harris, which is why the MV Loch Bhrusda is there at the moment. Again, I understand that that vessel is smaller than the Loch Portain and does not offer the same capacity. However, there were two options, and, as I understand it, it is the MV Hebrides that is operating the second option, so CalMac has provided capacity. However, you are right when you make the point that, ultimately, we need new, modern vessels. I believe that the profile of our investment in recent years will help to ensure reliability, not just there but across the network. That is an important point that needs to be made.

11:30

The Convener: You have just neatly, and quite articulately, outlined the problems there, and the pain and frustration, verging on anger, that people have gone through—

Stephen Flynn: They told me.

The Convener: They told you. So, why are you putting that at risk by delaying the process by at least nine months or potentially even longer, based on what Kevin Hobbs's letter states?

Stephen Flynn: I do not believe that the Government is putting that at risk. We are seeking to ensure that we deliver those two new vessels along with the two other vessels and that we protect commercial shipbuilding on the Clyde in doing so. I believe that to be the right approach, and a serious one, for the Government to take, bearing in mind the domestic economic benefit that could be gained from doing so. If the position of the committee and some of its members is that those vessels should be contracted out to Turkey, Poland or Romania, then I ask that you make that clear to me. However, my view is that the vessels should go to Ferguson's.

The Convener: We will ignore that comment, because we have repeatedly said that our role is to ask questions, and you are not answering them in the way that we would want you to—

Stephen Flynn: No, convener, I am sorry—I have answered your questions on the matter.

The Convener: I come to Alison Irvine. You have an important role in that process. What is your take on all that? What is your determination on the letter from CMAL, which you received?

Alison Irvine (Transport Scotland): As the cabinet secretary has rehearsed, it is important that all views on the procurement of the vessels are taken into account. On the technical detail associated with the MV Loch Portain, although she is out of service, she is 24 years old, so we expect more life to come.

As I previously discussed with the committee, part of the Government's work on the level of subsidy that will be required is to consider the extent of it and establish the value for money position and the affordability of that decision. As the cabinet secretary has outlined, it is a decision for ministers.

A significant amount of new fleet is coming into the system. Phase 2 of the SVRP is due to serve in the more challenging parts of our network, but work is under way at Ferguson's on the efficiency programme investment that will go into that, which should help to deal with the efficiency challenges that are experienced at the moment.

A plan is in place. All those things need to fall into place. As the cabinet secretary has outlined, the decisions that ministers are making are about looking across the whole picture and making judgments based on the information that they have. Our job is to ensure that the advice is well crafted and thought through, and that the cabinet secretary has all the information that he needs to make the decision.

The Convener: Do you agree with Kevin Hobbs?

Alison Irvine: Do I agree with him? I do not have the technical detail in quite the same way as Kevin has.

The Convener: Should you not have that technical detail?

Alison Irvine: I am the chief executive of Transport Scotland, not that of CMAL, so we have different skill sets, and that is quite a deliberate view.

The Convener: It has a relationship with you, however—

Alison Irvine: Kevin is an established and respected professional in that regard. Equally, I would expect the board and management team at the yard to do the job that has been asked of them, and Kevin and his team to hold them to account in the same way that I do CMAL.

The Convener: I am surprised about the equivalence that you are creating between the yard at Ferguson's and CMAL. I would have thought that you would have given more weight to CMAL's opinion, since it is owned by the Government. Why have you treated it in that way?

Alison Irvine: Transport Scotland sponsors CMAL in relation to ferries and my role, through that sponsorship, is to ensure that CMAL is doing the job that we need it to do. The part of the business that does the same, or the equivalent, for Ferguson's sits with Mr Cook. Those are very deliberately separate. I am not responsible for holding the Ferguson board to account, but I am responsible for the relationship with CMAL.

The Convener: I am just surprised that you are not backing up Kevin Hobbs, because he is responsible, and he is the expert in the area.

Alison Irvine: I do not think that I have called that into question.

Graham Simpson: You got the letter, but Kevin Hobbs says that he has not had a reply. Why has he not had a reply?

Chris Wilcock (Transport Scotland): It is a letter to me. It follows on from an earlier, pretty lengthy letter covering a number of areas. We have acknowledged the letter verbally to Kevin Hobbs and the chair of CMAL, and we will respond in due course. It covers many areas, and a lot of it is about future activity that we will go back to CMAL on.

That reflects the points that Alison Irvine and I made, when we met the committee to discuss procurement, about the different stages that we need to go through. A lot of my letter to CMAL was about the Teckal compliance and the work that we would need to do to move us to that stage. CMAL's letter is the response and is part of that process. I will absolutely go back to Kevin Hobbs and Morag McNeill in due course as part of the wider work that we are doing.

Graham Simpson: You say "in due course". I would have thought that he should have had a reply by now.

I want to ask about one more thing, which is the legalities of making the direct award. Alison, you told us at our meeting on 30 September that completing that work would take

"a maximum of six months."—[*Official Report, Transport Committee*, 30 September 2026; c 15.]

That would take us up to the end of March. Will you hit that deadline?

Alison Irvine: At this point, there is nothing to suggest that we will not hit that deadline. What day did you say I was here? Was it 26 March?

Graham Simpson: It was the end of March.

Alison Irvine: No, sorry. I was asking about the day in September when I was here to talk about procurement.

Graham Simpson: You were here on 30 September.

Alison Irvine: Okay. That work is continuing. There is nothing in the work, which has been ongoing since the last time that I was at the committee to talk about that, that suggests that the deadline is at risk.

Graham Simpson: So you will hit that deadline.

Alison Irvine: At this point in time, yes.

Graham Simpson: And the direct award can happen only once that is in place.

Alison Irvine: Yes. The direct award needs, first, the subsidy control to be established as lawfully compliant and, secondly, the Teckal compliance arrangements to be put in place for CMAL.

The Convener: To summarise, cabinet secretary, you are clearly saying that you are not going to follow CMAL's advice and that you are prepared to risk the two ferries, for the Sound of Barra and the Sound of Harris, being delivered beyond 2029, which was the commitment—indeed, there is already the potential for that. Those could be delayed further. You believe that the yard has the competencies and will deliver. Bearing in mind all the points that Mr Hobbs made, you are determined to go ahead against CMAL's advice. Is that correct?

Stephen Flynn: As I have outlined on at least eight or nine occasions during the past half an hour, or maybe a little longer, I believe that it is absolutely right that we put our confidence in Ferguson's, as the last commercial shipbuilder on the Clyde, to be able to deliver those vessels for the islands communities and to ensure that we have the resilience in the network that those communities deserve.

That builds on the extensive investment programme that we have undertaken to date, which Mr Hobbs outlined in the previous evidence session. The Loch Indaal has just been signed over, which is absolutely excellent news, despite some of the commentary that might be out there in the public domain, more of which might come out later today. However, I am extremely confident in the yard and its ability to deliver, and I think that it is fundamentally important that the Scottish Government delivers a future for Ferguson's and delivers for the islanders.

The Convener: Thank you—you have been very clear on that. We will not apologise for asking difficult questions. Of course, we would love the yard to continue and to be awarded the contracts—that is my personal view—but we are not here in a personal capacity; we are here as a committee, and it is important that we ask these questions, no matter how difficult they are.

I will move on to Donald MacKinnon.

Donald MacKinnon: Cabinet secretary, you listened to the previous evidence session, so you will have heard me talk about the wider disruption across the network that currently exists and existed during the summer and going back into the spring and beyond. You accurately outlined the problems on the Sound of Harris. I talked about the situation with the Loch Seaforth and the cascade effect that that has across the network, affecting Lewis, Barra, South Uist, Islay and Mull.

We also touched on the successful use of the Glen Sannox as a relief vessel and the extra resilience that that has given to CalMac. However, there remain issues about its compatibility with certain ports, particularly Castlebay: the Glen Sannox provided an excellent service over the summer months but will be unable to function out of Castlebay over the winter.

I am really getting at the current problems, but you will also have seen the written evidence from CalMac, expressing its future aspirations, which I think we all agree with.

Governance has an important role. We have heard about new ferries and the importance of having new tonnage enter the network, but,

although that is absolutely key to addressing disruption, I am really interested in the structures that sit behind that. The Government has already alluded to the possibility of change as part of public service reform and we have also spoken already about possible changes to governance to allow direct awards. Where are those discussions at and where do you think they are heading? I am asking about the roles and structures of CalMac, CMAL and Transport Scotland and the relationships between them and the Government.

Stephen Flynn: I am glad that I was able to provide an accurate reflection of the challenges on the sound. The fact that we have an expert in the room was somewhat weighing on my mind, so you have no idea how pleased I am to hear your views on that.

On the issue of wider governance, the programme for government set out our intentions for the direction of travel with wider public sector reform. Work was undertaken by EY around 2022. It was referred to as project Neptune at the time and I am sure you are familiar with it. That work sought to look at comparators around the world, including in British Columbia, Australia, New Zealand and Norway. The report from EY made a number of suggestions about the future governance framework, including about how integration could work and what the benefits would be. The obvious conclusion from that was that something could be done.

In the past couple of years, we sought to ensure that we could get the CHFS contract over the line, which we did. We have also been working at pace to ensure that CMAL and CalMac become non-departmental public bodies, which Ms Irvine referred to earlier and which will come to pass on 1 April, at the end of the current financial year. That will allow us to look more seriously at the options that are outlined in the EY report and to determine whether there would be benefits for service delivery—which must be fundamental to the conversation—and to the future governance and finances of both organisations.

That work is under way within Government. It will require significant effort, given the tax, legal and regulatory complexity, but it is under way. We cannot quite call it a blueprint, but the fact that the options were assessed in 2022 affords the comfort of knowing that we can move forward, in line with our programme for government commitments.

Donald MacKinnon: Do you have a view on what that will look like?

Stephen Flynn: It would be premature for me to come to any conclusions at this stage. I want to ensure that I am in full receipt of all the advice on that, but it is right to explore the subject.

Donald MacKinnon: When can we expect a proposal?

Stephen Flynn: The programme for government detailed what will happen in the coming year. That work is under way and we expect it to be done in due course. I will be more than happy to keep you, and the committee, fully apprised once a proposal has been put to me. We cannot allow wider public sector reform to be dragged out. If early interventions can be made, we should seek to make them, but I will not seek to do anything that puts the level of service that the islanders deserve at risk—that is important, and I am sure that you will agree.

11:45

Donald MacKinnon: I appreciate that.

I will go back to the work that is already under way to move to the NDPB structure—Alison Irvine underlined that earlier, and you have also highlighted it. Is my understanding right that there is further work to be done beyond the move to the NDPB structure in order to align with allowing for the direct award to Ferguson's, which we discussed earlier? That would be another interim step between any further governance changes. You are shaking your head, Alison.

Alison Irvine: The Teckal compliance work is happening in parallel with the work that needs to be done to change to the NDPB status. That work is—

Donald MacKinnon: It is happening in tandem.

Alison Irvine: In parallel, yes—at the same time.

Donald MacKinnon: Will that happen on 1 April?

Alison Irvine: Yes, that is the plan—subject to due diligence.

Donald MacKinnon: Thank you for clarifying that.

Since you are speaking, Alison, I will stick with you for my next question. When you previously attended a committee meeting—I do not have the date of that in front of me—and we were talking about air travel, you made some comments about island representation on public boards. We were talking about Highlands and Islands Airports Limited at that meeting, but the point is also relevant for CalMac, which has some island representation—islanders would probably argue that it is not enough—and CMAL, which does not have any island representation at all. There was a bit of a backlash in island communities to those comments. I was wondering whether you would

like to take this opportunity to reflect on them and set the record straight regarding your position.

Alison Irvine: I do not take much joy in being on page 3 of the *Stornoway Gazette*—I was in Stornoway when it was on the shelves. If you look at my comments in the round, you will see that I spoke about a range of aspects that relate to the importance of having island representation on the boards and the processes that we need to go through to ensure that we have all the skill sets on them. The comments that I made about mentoring and all the rest of it were meant in the spirit of asking what other things we can do to encourage people—from across the whole of Scotland, but particularly on islands—to be part of those boards. It is really important—

Donald MacKinnon: Do you understand why islanders bristled at those comments?

Alison Irvine: I was slightly disappointed by the tone of the journalism, but I was not surprised by that.

Donald MacKinnon: Are you reflecting on that and taking forward further work to ensure that there is island representation on the boards? Recruitment for the HIAL board is ongoing. Have you done enough on that piece of work on island recruitment?

Alison Irvine: The HIAL recruitment is ongoing. We have worked extremely hard with the public bodies unit in the Scottish Government to ensure that the requirements that have been set out and the approach that we are taking get us a good outcome. We also have some work to do with the CMAL board, because a couple of appointments are required to be made there. We will look again at all the other steps that we can take to ensure that we cast as broad a net as possible in relation to island representation.

Chris Wilcock: Alison Irvine and I were up in the Western Isles just before I went on leave last month. We had a conversation with local authority leaders and the chief executive there, and we are open to having further discussions. We have done other things in relation to the make-up of the panels that undertake the interviews. We have ensured that there will be island representation when the interviews are done to bring in that flavour. As Alison says, it is an ongoing process. If there are further things that you think that we could be doing to expand the pool and encourage people to apply to the CMAL board, I would be happy to have a discussion with you offline.

Donald MacKinnon: Ultimately, we need to see results; there needs to be island representation on those boards. Cabinet secretary, do you have any reflections on that point?

Stephen Flynn: I share your expectations in that regard. There is obviously the ferries community board, which is chaired by Mary MacInnes, who is a relatively new chair. I had a wonderful chat with her recently. If I recall correctly, there have been three appointments in recent weeks to the ferries community board.

The board of CalMac has islander representation, but there is an obvious lack of islander representation on the CMAL board. It is hugely important that we have people with the requisite expertise in those positions; I am sure that we all agree with that as a first principle. However, if work can be undertaken, building on what Chris Wilcock and Alison Irvine have said, to encourage that, I would be supportive of it for the reasons that you have outlined today and previously.

Donald MacKinnon: You will have heard me ask Duncan Mackison about reports of his remuneration package, which he confirmed sat at £278,000. I asked him whether he deserved that level of remuneration, given the state of the CalMac network and service delivery. He declined to answer that. Would you like to give a view on it?

Stephen Flynn: Particularly when personal finances are tight and salaries have been eroded because of the cost of living, it is difficult for members of the public to read news stories such as that. That is probably even more the case for members of your community.

It is important that I outline that it is the job of the CalMac board to determine how much the chief executive is paid. It is for them to determine whether his work is worthy of that salary. With the transition of CalMac to non-departmental public body status on 1 April, Mr Mackison's salary, as will be true of salaries for people in CMAL, will fall under the Scottish Government public sector pay policy, which is slightly different to the status quo. That will align any potential future increases with Scottish Government policies as opposed to the views of the CalMac board, which will no longer be the final arbiter.

Donald MacKinnon: You outlined that it is the role of the CalMac board to set the remuneration level. Did you make representations when you became aware of it? Do you think that Mr Mackison deserves that level of remuneration?

Stephen Flynn: As I understand it, my predecessor would have been aware of the decision that the CalMac board took, but it is ultimately for the board to determine how much the chief executive officer is paid, as is the case with CMAL.

On your second question, I outlined my views in my initial answer. I do not have anything to build

on in that regard beyond saying that the changes that are taking place to make CalMac a non-departmental public body will give the Government an increased role in the awarding of salaries in future.

The Convener: Why will the Ardrossan to Campbelltown ferry service not operate in 2027?

Stephen Flynn: A significant amount of work has been undertaken over many years on that matter. Members of the community, local authority councillors and those who have a keen interest from a business perspective have made clear representations to me on it. Ultimately, the decision comes down to three or, potentially, four main factors: one is resilience in the network, one is the availability of vessels, another is inevitably linked to cost and the fourth is alternative routes.

I appreciate that the fourth one is a particular challenge, given that it relates to the road network, but those are the four reasons that underpin the decision—the very difficult decision, I might add—that I took. When I was given advice in respect of that, I was clear with my officials that I want them to come back to me for further work next year on what comes next, because I am conscious that this cannot be the end point. However, we will in all likelihood still be constrained by those three to four main issues that I have outlined to you.

The Convener: So, why did a Government minister tell the community that it would be operational in 2027? That is what Jim Fairlie said nine months ago.

Stephen Flynn: The situation in the network with the availability of vessels and the financial situation that the Government is facing is well detailed in the public domain, and it is my role and my responsibility to make a decision based on all the relevant information that is available to me, as I outlined earlier with regard to other matters. I have made a decision based on the information that is available to me, which I suggest was perhaps not available to the previous minister.

The Convener: We knew that finances were tight and we knew the difficulties in the fleet—we knew about all those issues back in January.

Stephen Flynn: I am not going to be presumptive about what information was or was not available to someone. What I can do, however, is outline to you the reasons why I took that very difficult decision, which I sought to do in good faith.

The Convener: However, as we have rehearsed before, you are responsible not only for your term in office but for what has happened during the past 19 years—actually, we do not have to go that far back, because it is only nine months since the then transport minister said that the project would go ahead. How can communities believe anything you say if that is going to happen? Surely, you have to actually explain why Jim Fairlie said that at the time.

Stephen Flynn: I have, in good faith, outlined to you the reasons that underpinned the very difficult decision that I have taken in that regard. I have asked my officials to come forward with suggestions in relation to the situation. I am cognisant of the fact that what can be done might well be curtailed by the issues that I have sought to outline to you, and I appreciate that that will cause profound frustration to those in Campbeltown who are keen to have access to a ferry service. I fully acknowledge and understand how difficult that is, because, ultimately, I am the one who has to make that decision, and it is a decision that I take very seriously. However, I have sought, in good faith, to outline the reasons behind that decision.

The Convener: I am not arguing about the reasons that you are putting forward; I am saying that a minister of the Government in which you hold office told the community that it would happen, and, without any explanation as to why he said that, or, I think, any apology to the community, you are just brushing that aside and saying that you do not know the circumstances of how that decision was taken.

Stephen Flynn: I am afraid that you have taken that approach a few times today, but I am not brushing anything aside. In fact, what I am sitting here doing is fronting up the decision that I have taken in respect of this very serious matter. It is a disappointing decision—I understand that—and I will continue to engage with people in Campbeltown and with my officials to assess what can be done.

The Convener: So, did you investigate why Jim Fairlie said that in January?

Stephen Flynn: Convener, I have already outlined to you, in good faith, the three or, potentially, four reasons why I took the decision. As we rehearsed earlier, it is important that the Government makes decisions based on the evidence that is available to us and I have—

The Convener: So, you have not asked why Jim Fairlie said that to the community.

Stephen Flynn: Convener, it would not be difficult to ascertain that the information that was available to the minister at the time would have guided the decision that was taken.

The Convener: I do not want to dwell on this, but I find it astonishing that you are not able to explain why Jim Fairlie said that then, and you are saying this now.

Stephen Flynn: Convener, in Government, as in life, circumstances change.

The Convener: So, what has changed?

Stephen Flynn: Mr Wilcock might be able to offer some advice in that regard.

Chris Wilcock: The cabinet secretary has already touched on the issue. I would need to look to see exactly what Mr Fairlie said to the community at the time, as I was not in those meetings. Certainly, all options around having the service would have been explored.

As the cabinet secretary has outlined, what will have changed from January involves issues such as vessel availability and deployment, particularly in relation to the Islay-class vessels and the Glen Rosa coming in.

Only a limited number of vessels can operate the Campbeltown service. The MV Isle of Arran is definitely used, and I think that the MV Lord of the Isles can operate that service, as well. The intention in the vessel redeployment plan that CalMac has prepared and we have approved collectively will see the MV Isle of Arran return as a resilience vessel next year. As the committee is well aware, there has been a shift in what is available, in the needs and in the resilience that is required. As we have touched on in relation to other parts of the network, it is clear that resilience is key here.

12:00

Stephen Flynn: It is quite clear that circumstances can change. During the course of this year, we have seen changes in relation to our capital expenditure as a result of decisions that the UK Government has taken. All of that impacts on us in exactly the same way that vessel availability does. It is legitimate to say that the circumstances are different, and I have sought to outline to you correctly the reasoning behind my taking this very difficult decision.

Lloyd Melville: I turn to the physical infrastructure of ports and harbours. We heard from the previous panel of witnesses that a proportion of our ports are in a fragile condition. There is a need not just to deal with the immediate pressure on the ageing infrastructure, but to prepare and co-ordinate the network for the future. However, according to those witnesses, we do not have a definite national view of the condition of our ports and harbours.

In this year's budget, the piers and harbours grant was £82 million, but Kevin Hobbs from CMAL estimated that investment of between £150 million and £200 million is required across the network every year, and Jacqueline McDonell from the Mallaig Harbour Authority said that the £100 million project at Mallaig absolutely has to happen. Is the Government prepared to invest that much money to protect our ports and harbours?

Stephen Flynn: The portfolio of investments up to now evidences a huge commitment from the Government to both our ferries network and the crucial ports and harbours on which our ferries rely. Earlier, Mr Hobbs outlined some of that detail, including the £108 million that is being spent at Port Ellen, the investment at Lochboisdale, the decision to take ownership of Ardrossan and the £6.8 million that was given to Mallaig to allow overnight berthing. We have made a considerable capital commitment to our ports infrastructure up to now and we are committed to continuing with that work.

It is important to outline, because it perhaps did not get a significant enough airing earlier, that the Government has an islands connectivity plan, and a key aspect of that is our vessels and ports plan. The vessels and ports plan gives a clear indication of the Government's priorities not just for the next year or two, but up to 2045. Our intention in the islands connectivity plan to outline our commitments and update them every five years.

Lloyd Melville: If I can come in—

Stephen Flynn: We have been very clear about the commitments that we have made up to now and, indeed, where we see investment in the future.

Lloyd Melville: One of the key missing pieces—I thank you for indulging my cutting in—is that, as the Scottish Collaboration of Transport Specialists mentioned, we do not have a proper conditions survey of all the ports and harbours, which would tell us the quantum of investment that is required to bring them up to date. Does the Government recognise that? If so, what will you do about it? Will you commission that national survey?

Stephen Flynn: We heard varying views on that earlier. A witness was concerned about the potential that that would take away from the very good work in other areas that Transport Scotland highlighted.

Lloyd Melville: That is why I mentioned the Scottish Collaboration of Transport Specialists.

Stephen Flynn: SCOTS has put forward a number of very helpful points—I think that there are eight in total. Obviously, the Government does not own all the ports and harbours around Scotland. Some are trust ports, some are in private hands and some are under the control of CMAL. Where ports are not in our hands, we pay dues to local authorities and to private operators. We expect the dues that we pay to be used to deliver the investment that is required to ensure that the

ports are fit for purpose. Their being fit for purpose is important, as was mentioned earlier.

If there were to be a review—I will certainly consider whether to have one—we would need to be clear on the detail of the ports and harbours that we were talking about. We would not want to look at ports and harbours that are used for far more than just a ferry service. We would also perhaps want to assess the nearly £20 million—I think that that is the figure—that is paid in harbour dues.

Lloyd Melville: Are you saying that the Government would be open to commissioning such a review, provided that it was a focused national survey that looked in particular at lifeline ferry services?

Stephen Flynn: Mr Wilcock wants to add something before I respond.

Chris Wilcock: In relation to the SCOTS submission, which Calum Mackenzie spoke about, I would draw a distinction, as the cabinet secretary started to do, between the wider ports that councils have responsibility for—Richard Ballantyne articulately explained some of the challenges that fishing ports and so on face—and the lifeline ferry ports. I would challenge the suggestion that we do not have an understanding of the immediate investment needs of the lifeline ferry ports. Those needs are outlined in the islands connectivity plan or in our projects and planning.

Lloyd Melville: Do you recognise Kevin Hobbs's view that between £150 million and £200 million a year of investment is required?

Chris Wilcock: As part of our forward planning work and the discussions that we are having with Kevin Hobbs, councils and others, those are the kind of figures that we are looking at. As I have said previously to the committee, the affordability of such investment is a matter for the budget process. We are also looking at the Mallaig project. Those costs are known and understood. They change over time as the scope evolves.

Lloyd Melville: It will be necessary to draw on many different funding pots, as has been mentioned.

Chris Wilcock: Including the harbour dues, which relate to the responsibilities of the harbour authorities to run, maintain and upgrade their facilities.

Lloyd Melville: Given the scattered pattern of ownership, in its submission, CMAL said that if it owned more of the ports and harbours, progress would be accelerated. Cabinet Secretary, do you agree with that view?

Stephen Flynn: Yes.

Lloyd Melville: Is the acquisition of more ports and harbours a direction of travel that the Government is considering?

Stephen Flynn: If there was an opportunity for CMAL to expand its ownership network, we would certainly support that, but such things do not happen in a vacuum. There are private operators, as well as local authorities that have responsibility for harbours. There are also trust ports, which can be hugely important assets to their local communities, as Jacqueline McDonell eloquently outlined earlier. Therefore, we cannot take a one-size-fits-all approach or dictate what happens, but we can make sure that we have a full view of the ports that are there. We do that through the vessels and ports plan, and we are making investments accordingly.

Lloyd Melville: As part of the wider public service reform piece, the structure and responsibility of local government will change. Does that present an opportunity to transfer ownership to CMAL, which it seems to consider is the best approach?

Alison Irvine: I do not think that that approach needs to be enabled by the public service reform programme.

Lloyd Melville: Are you saying that the Government could move a lot more quickly on that?

Alison Irvine: As the cabinet secretary has outlined, it is not as easy as our saying to an owner, "We want to buy that port off you." A lot of complexities sit behind that.

Lloyd Melville: I am aware of that.

Alison Irvine: In the vessels and ports plan, we have set out a plan for investment not only in the ports that CMAL owns, but in those that we have a direct interest in ensuring that they remain viable for the foreseeable future. That goes broader than the public service reform programme.

Lloyd Melville: I will not ask you to narrate the details in the budget, but we are talking about investment on a significant scale. Chris Wilcock has just talked about whether that is affordable. Is it likely that there will be an uplift in the support that the Government gives to this infrastructure? The infrastructure is critical, particularly for island communities, and the longer that the investment is delayed, the more money will be required.

Stephen Flynn: It is important that I do not narrate the budget, Mr Melville.

Lloyd Melville: Of course.

Stephen Flynn: I am sure that we can revisit that subsequently to 3 December.

Martyn Day: I will start with a couple of questions on freight issues. First, in relation to the import of freight into the country, I am aware of some businesses that have experienced delays at ports because of capacity issues involving port health officials, who are supplied by local authorities.

Stephen Flynn: Sorry, Mr Day—can you repeat the question?

Martyn Day: Yes—I was probably not talking into the microphone, which will not have helped, particularly given that I have a cold.

My question is about the import of goods into the country through ports. I have been approached by people who have experienced delays in getting their goods cleared because of capacity issues involving port health officials. Local authorities supply those officials. Is there a wider problem there? What can we do to speed up and streamline the process across the country?

Alison Irvine: That is probably outside our area of expertise, but if there are specific examples, we could take those away and help you with them.

Martyn Day: I have specific examples, which I do not want to go into here, but there may be a wider issue behind them. I would be happy to share them offline so that those can be considered.

That brings me to my next area of questions. In its evidence, CalMac suggested that it would be beneficial to have a dedicated freight service to connect to the wider road network and transport dangerous goods from ferries. What are your thoughts on that?

Stephen Flynn: A key part of undertaking the strategic transport projects review phase 2 was having that holistic view of Scotland's transport network now and into the future. We all, rightly, share the aspiration to ensure that, for ports that deal in commercial goods, there is a railway stop nearby to facilitate that.

I am sure that you are familiar with examples of that in Scotland—some of them were rehearsed earlier. Grangemouth is the one that would be closest to you in Aberdeen. The railhead is not too far from the port itself. If there are further examples of work that we could be doing in that regard, by all means suggest them to us. We are keen to make sure that—not only for freight but for passenger transport—we are able to provide a joined-up approach to our islands and the mainland.

Martyn Day: Thank you for that. My computer must be bugged because you have strayed into the territory of what I was going to ask about next. Maybe I am just predictable—I am not sure.

On the point about rail freight connections, perhaps your officials will have a handle on this: have we looked at what has been done in Germany in connection with the subsidy that is provided to make single-wagon and group-wagon freight services more viable?

Alison Irvine: Is that in relation to rail freight?

Martyn Day: Yes.

Alison Irvine: We have a rail freight strategy on our website, which I will find and point you to. We also set significant targets for Network Rail on the number of freight paths that it is able to support on Scotland's railways. We recognise the importance of the railway to transport and freight around the country.

12:15

As the cabinet secretary alluded to, from a ferry and shipping perspective, Grangemouth is the key port for the shipping to rail freight interchange in Scotland. If you look at patterns of freight travel in Scotland, you tend to see that Scotland's major markets are in England, so the road network then comes into its own. A significant amount of the goods that come into Scotland come into ports in Teesside, in Humberside and further south. That is to do with the way in which freight conglomeration companies bring in goods and then disperse them throughout the country. From a logistics perspective, that is really interesting. We do what we can to support what is, in essence, a commercial service. For example, we want the parts of our networks that support that service to be set up in the best way for the people of Scotland.

Martyn Day: I will move on to some environmental questions. Is Transport Scotland monitoring the impact of climate change and extreme weather, of which there is increasing evidence, on our ports and harbours? In the earlier evidence session, we heard that there have been three times as many bad weather events.

Alison Irvine: I will not repeat what was said in the earlier evidence session. I am sorry—I should let the cabinet secretary answer.

Stephen Flynn: It is okay—I was just going to repeat what was said in the earlier evidence session. [*Laughter*.]

Alison Irvine: We have a programme of work under way, covering the key modes for which we are responsible, that is considering the infrastructure needs associated with dealing with the effects of climate change. That includes looking across the trunk road network, because we are the custodians of that on behalf of Scottish ministers, and supporting Network Rail in its work.

As Mr Hobbs will have outlined, CMAL is also looking at the ports that it owns. The anticipated changes as a result of climate change are being factored in as the programme of improvements goes on.

Stephen Flynn: In my opening remarks, I mentioned the Government's winter resilience plan, which I launched at NorthLink Ferries in Aberdeen. We chose that location knowing full well that climate change is causing weather events that are much more challenging to respond to. The ferry network is very much exposed in that regard.

One of the many key points is to ensure that our assets, including vessels, are properly protected during such weather, as was referred to earlier, and that early assessments of ports are carried out to ensure that they have not suffered any damage, particularly from the incredibly strong water swells that we have seen, including during storm Boelo. Thankfully, there was no infrastructure damage as a result of that storm.

Chris Wilcock will correct me if I am wrong, but I think that about 1,800 of the 94,000 sailings that were scheduled between April and September had to be cancelled due to weather. We will continue to monitor the situation, and I hope that the climate impacts that we are experiencing will not result in that figure increasing.

Alison Irvine: Storm Boelo resulted in damage to the A78, but there was no port-related damage.

Stephen Flynn: Yes, there was significant damage to the road surface, as there was to a number of businesses.

Chris Wilcock: I can add a bit of flavour to those answers. In the earlier evidence session, people talked about more powerful vessels, better fendering and port upgrades, but the issue resulting from recent storms has been the power supply to ports. The ports might be perfectly functional physically, but there have been issues with the power supply in the past.

A better system is now in place between Transport Scotland, CalMac and CMAL to ensure that we catch such disruption earlier and feed it into the wider resilience piece—the Scottish Government resilience room and other Transport Scotland colleagues—so that ports are higher up the priority lists of SSEN and others than they might otherwise be, because that can prevent us from running services. It is partly about infrastructure and partly about systems, and recovery is something that we need to keep a close eye on.

Martyn Day: What is the Scottish Government doing to support CMAL and CalMac to improve physical accessibility to our ports?

Stephen Flynn: A significant amount of work has been undertaken over many years with individuals from the Mobility and Access Committee for Scotland. The role of the body is to ensure that people have access to facilities. Kevin Hobbs outlined some of the investments that have been made on changing places toilets and suchlike. It is a key aspect of the islands and connectivity plan, and I have quite strong personal views on the issue, given that, as you know, I walked on crutches for nearly 20 years. I recognise and understand how challenging it can be for people, which is why it is a thread that runs through the islands connectivity plan, why Mr Hobbs was able to outline the investments that have been made to date and why we take seriously the advice that we are given by partners in relation to that.

Graham Simpson: Cabinet secretary, you will have heard the witness from Mallaig speak earlier about the desire for a new linkspan there, which would cost about £100 million. As we also heard, Mallaig port is really successful; the problem is that it is becoming almost too successful. There have clearly been discussions between the port and CMAL. How can that proposal be best progressed?

Stephen Flynn: That is an important point to raise, and it is important to reiterate that we have worked closely with the trust port in Mallaig. The £6.8 million investment in overnight berthing was a shared endeavour. Obviously, as it stands, the Lord of the Isles is able to operate from there, as will the new vessel—that is important to note—albeit with speed restrictions, as I understand it. I assure the committee that my officials in Transport Scotland are working closely with those at the trust port to fully understand the ask and to look at the current available options. We will continue to do that, because it is clear for all of us to see, and we heard it from Jacqueline Donelly—I do not need to speak for her—how well they have been doing and how keen they are to do more in the future. Those discussions will continue and any financial matters will go through the usual budgetary process.

Graham Simpson: I explored the funding arrangements for ferries with Kevin Hobbs earlier. The arrangement is that CMAL asks for the money and gets a loan, which it has to repay at a rate of interest. He gave some figures, which were quite alarming, about how much extra that costs. We bump the cost up by having that arrangement. He was pretty clear that it is a rather daft arrangement—that is my word, not his. Have you had time to reflect on that, and are you open to putting in place a new system?

Stephen Flynn: I am very familiar with that system. The Government is constrained by its capital grant allocation, which I think Kevin suggested as an alternative, but we are keen to

work with CMAL to explore options. It is important to say that subsidy control is an important aspect in that, as is the Treasury green book, and there are technical financial aspects that we must adhere to when it comes to our expenditure in that regard. However, we have it in mind.

I do not know whether my colleagues want to build on that.

Chris Wilcock: When Alison Irvine and I came before the committee last time, I started to touch on some of those issues in response to a question. That is the structure that we have at the moment. It was a function of the splitting of CalMac and CMAL while we were in the European Union, which was designed to reflect a commercial arrangement and ensure that any commercial operator that came in to run the network would charge the same rates and so on. However, you are right, Mr Simpson, and CMAL and Transport Scotland have been talking for a while about better ways to do it.

I would not want to leave the committee with concerns. When we talk about the charter rate, loan repayments and any increases in them, I note that that all flows back into the system and is netted off against our costs. It adds to the complexities of the system, about which you might have views, but I do not want you to think that that money is lost to somewhere else. It all recycles through the system over time. However, there is probably a more straightforward and clear approach for us to take, and we are fully exploring that.

The Convener: That brings us to the end of this evidence session. I thank the cabinet secretary and his officials for answering all of our questions. I briefly suspend to allow for a changeover of witnesses.

12:26

Meeting suspended.

12:28

On resuming—

Subordinate Legislation

HGV Speed Limit (Variation) (Scotland) Regulations 2026 [Draft]

The Convener: Our next item of business is a short evidence session on a Scottish statutory instrument. I welcome Stephen Flynn back to the committee. The cabinet secretary is ably supported by Transport Scotland officials Hugh Gillies, director of roads delivery and operations, and George Henry, national operations manager for road safety policy and education; and Deborah Blair from the Scottish Government legal directorate. I invite the cabinet secretary to make a few opening remarks, including about the Woodside viaduct, if that is okay.

Stephen Flynn: Thank you, convener, for allowing me the opportunity to give the committee a quick update on the Woodside viaduct. However, if I may, I will begin by thanking you for inviting me to provide evidence on the HGV Speed Limit (Variation) (Scotland) Regulations 2026.

As the committee will be aware, the Scottish Government undertook a national speed management review to assess whether speed limits on Scotland's roads remain appropriate and to support our overarching objective of reducing the number of people who are killed or injured on Scotland's roads.

As part of the review, a consultation took place on proposals to reduce the national speed limit on single carriageway roads and to increase the speed limit on single and dual carriageway roads for heavy goods vehicles that are more than 7.5 tonnes. After more than 19,000 consultation responses were analysed, a report detailing the conclusions and next steps was published in December 2025.

Although the Government has decided not to proceed with a reduction in the national speed limit on single-carriageway roads, a commitment was made to bring forward regulations to increase the speed limit for HGVs. Therefore, the regulations before the committee would increase the speed limit for HGVs over 7.5 tonnes from 40 mph to 50 mph on single-carriageway roads, and from 50 mph to 60 mph on dual carriageways.

The purpose of the change is to reduce the speed differential between HGVs and other traffic. Evidence suggests that significant differences in vehicle speeds can contribute to driver frustration and increase the likelihood of unsafe overtaking manoeuvres. Reducing the differential is also expected to support smoother traffic flows and

improve journey time reliability. Importantly, the available evidence indicates that the changes can be introduced while maintaining road safety outcomes.

The proposal is supported by evidence from elsewhere in the UK, as well as by findings from Scotland's own 50 mph HGV speed limit trial on the A9. That evidence base demonstrates that higher HGV speed limits can be implemented without adversely affecting road safety, while also delivering economic benefits through improved journey time reliability.

The regulations, therefore, represent a proportionate evidence-based measure that seeks to improve the efficiency of Scotland's road network while maintaining our commitment to road safety and supporting economic growth, and I am happy to answer any questions that the committee might have on their content.

Before I do so—and with your indulgence, convener—I want to go back to an update on the Woodside temporary propping project that I gave to the chamber yesterday in response to Pauline McNeill's general question. Although significant progress has been made on that project, the reopening of the eastbound viaduct to four lanes will now happen in early 2027. This is due to the discovery that extensive concrete repairs are required at either end of the viaduct. As they are in areas that have not been jacked, there has been limited access for inspection up to this point.

The project is still expected to be completed in the second half of 2027, as previously announced in August 2025. My officials are currently preparing a letter to the committee, giving more detail on those developments and offering committee members a site visit so that they can see the significant engineering that is taking place below the M8. I would encourage members to take up the offer, in light of my own experience.

The Convener: Thank you, cabinet secretary. We might return to that issue in a second.

Why did Scotland not follow England in 2015?

Stephen Flynn: It is important to recognise that, under the devolution settlement as it stands, different parts of the UK can go in different policy directions, and we chose to do something slightly different from what was taking place in England. In many ways, the Scottish statutory instrument before you rectifies that and ensures that we have a proportionate speed limit in place to do the things that I outlined in my opening remarks—that is, make our roads safer, which I am certain we will all agree is essential, and ensure that traffic can move at a better speed.

The Convener: You must have looked at the reasoning for the decision in 2015. What was it?

Stephen Flynn: The reasoning is perhaps outlined in the fact that, when we undertook the review, there was a different set of opinions on what the appropriate speed limit should be on Scotland's roads. Circumstances, and individuals, change over time, but I would suggest that the review was conclusive in terms of the consultation responses that were received from the public with regard to taking these actions. We are seeking to respond accordingly, and I believe that this is the right step to take.

The Convener: You have still not told me why we did not do that in 2015. What changed? I do not know whether George Henry would like to come in on that.

Stephen Flynn: I am happy for George to do so.

George Henry (Transport Scotland): Obviously, it was before my time in post, but when the Department for Transport held its trial in 2015, we kept in close contact with it. We waited a fairly long time for the evaluation report, but when it was received, we committed to undertaking a national speed management review of our own to look at all speed limits, not just the speed limit for HGVs. In other words, the HGV speed limits were considered as part of the national speed management review. Now that the national speed management review has been completed, we are in a position to take the decision on the HGV speed limits. The DFT's evaluation report was fairly conclusive, but it took a while for it to come through so that we could use the evidence.

As the cabinet secretary has mentioned, we have also had our own trial on the A9, so we have been able to use Scottish evidence as well as evidence from England and Wales in making this decision.

The Convener: It has been 11 years, though. That is a long time to get evaluation information, is it not?

George Henry: Yes. The DFT trial ran for five of those years, and then it took a period of time for us to receive its report and look at it. Our own national speed management review has been very extensive. In concluding it, we have considered all speed limits, and the decision has been taken to potentially increase the speed limits for HGVs.

The Convener: Given that HGVs have speed limiters that limit them to 56mph, might the public be confused, or frustrated, that they will not go at 60mph, even though they are allowed to? I know that it might be different downhill, and that that gives you a degree of flexibility. However, these vehicles will not be going at 60, so the frustration that we have been talking about and which you have explained will still be an issue, will it not?

George Henry: Probably not, because we would be talking about dual carriageways, and you would like to think that they would have an overtaking lane for other vehicles to pass safely. What you will find is less frustration on the single-carriageway sections, where the HGVs will be able to travel at 50mph rather than the 40mph that they travel at currently.

The Convener: I call Graham Simpson.

Graham Simpson: Did you consider increasing the speed on single carriageways from 50mph?

George Henry: That was not considered. As the convener has mentioned, HGVs generally drive with speed limiters at 56mph, so there would have been no viable option for taking that forward. Again, with the evidence from the A9 trial and the DFT's evaluation report that the limit should be 50mph, it seems appropriate to keep the same speed limits right across the UK.

Graham Simpson: So, this will mean that we are consistent with the rest of the UK. It will also, I guess, avoid confusion for lorry drivers, too.

George Henry: Yes. I absolutely agree.

Graham Simpson: That is all I have got, convener.

The Convener: With regard to the Woodside viaduct, a longer-term question is what the future plan might be for that part of the network. Have you learned any lessons from this reinforcement work that might impact on that future planning?

Stephen Flynn: Transport Scotland is always learning lessons from all the projects that it undertakes. On the specifics of the viaduct's propping, I sought to get into some of this with Pauline McNeill in the chamber yesterday, only to be curtailed by time, but the reason for the delay on the eastbound opening—as you will see for yourself when you have, I hope, the opportunity to go—is that when they went down into the ground, they found a sewer that should not have been there. They are also operating extremely closely to the Strathclyde Partnership for Transport subway, and they have had to engage extensively with SPT on that. After all, you do not want any works that might be happening above ground to have a consequential impact on the subway line. There have also been challenges with the wider procurement of steel and so on, and it is also just a very technical job to undertake while still allowing traffic to flow.

Proposals for a longer-term solution are being worked on; due consideration is being given to them, and advice will come to me in due course. I am aware of the strength of views right across Glasgow and beyond, because this is a key strategic artery for Scotland's transport network. All and any learnings will be taken, not just from the work that has been undertaken to prop the road up until now, but from significant roads projects that have been, and are being, undertaken elsewhere in Scotland, particularly in relation to the A9.

The Convener: I do not want to be cheeky, but did they not know the subway was there before they started this work?

Stephen Flynn: I would want you to have that conversation with Amey directly, because when I was on site, the challenges that it faced were explained to me in very technical detail. They had to move the sewer, which was not initially part of the plan. I am sure that you will have the opportunity to see that for yourself, though.

The Convener: I knew that it was there.

If there are no other questions from members, we will move on to the next stage of the process, which is formal consideration of the motion to approve the instrument. I should say that only members and the cabinet secretary can take part in this agenda item.

I invite the cabinet secretary to move motion S7M-01560.

Motion moved,

That the Transport Committee recommends that the HGV Speed Limit (Variation) (Scotland) Regulations 2026 [draft] be approved.—[*Stephen Flynn*]

Motion agreed to.

The Convener: A short report of the committee's decision will be prepared and published, and I invite the committee to delegate responsibility to me, as convener, to agree that report.

Members *indicated agreement*.

The Convener: I thank the cabinet secretary and his officials for joining us today, and we will now move into private session. Thank you very much.

12:41

Meeting continued in private until 13:04.

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