



OFFICIAL REPORT
AITHISG OIFIGEIL

Net Zero, Energy and Transport Committee

Tuesday 31 January 2023

Session 6



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Tuesday 31 January 2023

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1
FERRY SERVICES INQUIRY	2

NET ZERO, ENERGY AND TRANSPORT COMMITTEE
4th Meeting 2023, Session 6

CONVENER

Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Fiona Hyslop (Linlithgow) (SNP)

COMMITTEE MEMBERS

*Jackie Dunbar (Aberdeen Donside) (SNP)

*Liam Kerr (North East Scotland) (Con)

*Monica Lennon (Central Scotland) (Lab)

*Ash Regan (Edinburgh Eastern) (SNP)

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

*attended

THE FOLLOWING ALSO PARTICIPATED:

Dr Alf Baird

Angus Campbell (Ferries Community Board)

Angus Duncan Campbell (Ferries Community Board)

Professor Neil Kay (University of Strathclyde)

Kirsty MacFarlane (Ferries Community Board)

Roy Pedersen

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Net Zero, Energy and Transport Committee

Tuesday 31 January 2023

*[The Deputy Convener opened the meeting at
09:30]*

Decision on Taking Business in Private

The Deputy Convener (Fiona Hyslop): Good morning, and welcome to the fourth meeting in 2023 of the Net Zero, Energy and Transport Committee. We have received apologies from the convener of the committee, Edward Mountain.

The first agenda item is consideration of whether to take agenda item 3 in private. Under item 3, the committee will consider the evidence that we will hear today as part of our inquiry into a modern and sustainable ferry service for Scotland. Do members agree to take that item in private?

Members *indicated agreement.*

Ferry Services Inquiry

09:30

The Deputy Convener: Our next agenda item is an evidence session as part of our inquiry into a modern and sustainable ferry service for Scotland. I refer members to the papers for the item.

This is the fifth evidence session in our inquiry into Scotland's ferry services. Today, we are pleased to be joined by a panel of academics with specialist knowledge of maritime transport and ferries in Scotland who were members of the previous Scottish Government's ferry expert group.

I welcome our panellists. Dr Alf Baird is former professor of maritime business and director of the maritime transport research group at Edinburgh Napier University; Neil Kay is professor emeritus in the economics department of the University of Strathclyde; and Roy Pedersen is an author and consultant. Thank you for accepting our invitation and for the written submissions that have been sent in. We are delighted to have you here.

We have allocated up to 75 minutes for this session. I will start by asking each of you to outline briefly what island and remote rural communities need from their ferry service. That is a fairly open question, but it gives you an opportunity to make some introductory remarks.

Professor Neil Kay (University of Strathclyde): The first answer is a fairly open one: the prime need is for investment. There has been a lack of investment in the past few years. I remember doing a study before the road equivalent tariff was introduced. I have generally found from other studies and from studies in Scotland that, if you were to reduce the price on a typical island route, for every 10 per cent reduction, you would get an increase in traffic of about 10 per cent. That was a useful rule of thumb. Obviously, it had to be adapted on a route-by-route basis, but it indicated that, when you reduce the prices, as RET eventually did, you have a crying need for increased investment, not just for maintaining investment. An added point is that we all know that there has not been the investment that has been needed in the past few years.

The other point is about the type of investment. I would defer to Roy Pedersen and Alf Baird on that. They have made points that are well worth considering on the right kind of investment that could be incorporated by the CalMac Ferries network.

More generally, there is a patchwork quilt of ports and harbours around the Scottish network.

Some are run by councils and some are run by Caledonian Maritime Assets Ltd. My basic assumption is that, where possible, decisions should be made as locally as possible and that ports and harbours should be allocated to council control. That would allow ports and harbours to be customised to the needs of the communities around them. CMAL tends to be distanced in more than one sense—regulatory and physically—from the ports and harbours that it administers, and that approach would be an improvement in the organisation of ports and harbours.

I would like to hear Roy Pedersen's and Alf Baird's points on reorganisation but, generally, the best people to make decisions about vessels are the operators. CMAL has largely lost much of its design capability in that respect. If you are going to have a CMAL with ships, it should own and have responsibility for the ships. Given what I have said already, that, almost by default, effectively reduces the role of CMAL to zero. It is an extra party in the organisation of the system in Scotland, and it could well be a redundant factor.

I mentioned the Gourock-Dunoon route in my written submission, partly because I am familiar with it—I use both ferries there—but also because it is one of the most studied routes in the Scottish network. There have been several Government-sponsored studies of the economics of the Gourock-Dunoon ferries. The route is also one of the most important routes. Western Ferries (Clyde) Ltd carries about 40 per cent of the traffic that is carried by the entire CalMac network, so that alone makes it worthy of study.

Studies of the Gourock-Dunoon route have found that it could carry a feasible, unsubsidised commercial service, and we know that from talking to potential operators. They have not bid because of the short-term nature of public service contracts and the high prices that CMAL would charge at Gourock. If there were opportunities for the long-term leasing of ports and harbours, that would open up the possibility of commercial operators. In that respect, I include CalMac. There is no reason why CalMac, either as a ring-fenced subsidiary, as we used to have with Argyll Ferries, or in partnership in a joint venture with an outside company, could not bid and win a contract for the Gourock-Dunoon service.

As the necessary studies have not been done and the data is not available, I am not sure how many other routes would be eligible for long-term leasing of that nature, in which the port facility is leased and the port charges are fixed to the retail prices index plus a certain amount for profit. Joint ventures and leasing are options that have been pursued in other contexts and industries. Historically, one of the problems in that context has been vested interests and established views.

We need new ideas, new possibilities and new strategic thinking. One way forward could be to have long-term leasing and joint ventures fed into appropriate parts of the network.

The Deputy Convener: I am conscious that we have a lot of questions that we need to get through as well as evidence from the other witnesses. Is there anything you want to finish on, as part of your opening remarks?

Professor Kay: Yes—very briefly. This may be controversial, but I think that short crossings add several costs that are not costed by the private operator. Short crossings tend to divert traffic from the town centres. They tend to move traffic away from town centres and add to road usage, vehicle emissions, and wear and tear on the roads. They also add to travel time, and they often discharge or take on traffic at ports where there is no public transport availability. There should be a presumption that short crossings will not be considered or promoted in circumstances in which a viable public service operator, such as CalMac, is available.

I will end my points there.

The Deputy Convener: Thank you very much. I will remind Alf Baird of the question. Will you briefly outline what island and remote rural communities need from their ferry service?

Dr Alf Baird: Thank you, deputy convener.

There has been a lot of research on the needs of island groups around the world. Frequency is often top of the list, as it also gives reliability in the system. Price tends to come a bit lower down the list. Frequency, which gives reliability, is the most important feature in most studies of user needs. That can be achieved through faster speeds and more vessels per route—simpler vessels rather than opulent vessels, which the CalMac-type ships have been described as. That is important.

There has been enormous investment in ferries in Scotland. Investment is not the problem; the problem is that it is spent very badly. That is related to the very poor procurement process, which is very restrictive. The specification of the ship is very tight, and lots of bidders are squeezed out of the procurement process. For example, in the recent bidding to provide the second two of the four vessels for Islay, there were only two bids, but the second bid was rejected for spurious reasons.

A lot of my research in the past 30 years has been on catamarans around the world. We have catamarans in Orkney—we are now on the second ones. They have replaced the CalMac monohulls that started the services in Orkney, and we have tried to get those ferries widely used in Scotland.

All of us were members of Keith Brown's expert ferry group, which has since disbanded. We—

certainly I—advocated the deployment of catamarans, at least for trial periods. We were able to offer catamarans to ministers, officials and ferry agencies, but they always refused to buy them. They raised what were, in my view, fallacies—I produced a paper and a presentation for the Mull and Iona ferry community on the ferry fallacies that were raised. CalMac and CMAL have always refused to use catamarans, but it so happens that, this week, I believe, they may well be chartering the Orkney ferry catamaran—the MV Pentalina. After 15 years of rejecting catamarans, they might finally be using one, because they are desperate for tonnage and ships are collapsing.

Catamarans come in at between half and one third of the price of CalMac monohulls, it takes half the time to build them, and they are much more efficient to run because of the lower displacement—I mean the weight of the ship. The designs that CalMac has come up with are inordinately inefficient. They are the equivalent of bricks; they add as much weight as they can to the ship. The catamarans have half the power requirement of a monohull, so they have half the emissions. If you are interested in net zero, the catamarans give that. They are half the price or less, they produce half the emissions, and they are the most stable and safe ferry platform that you can get. That was the result of Professor Vassalos's recent study on catamarans at the University of Strathclyde. They are much more stable—the fact that they have no need for ballast tanks or stabilisers is a good indication of that—and they represent a massive saving on price.

The problem is that CMAL does not include catamarans in the tender process. It excludes them. It even went to the extent of inventing a false catamaran in the Islay ferry class development. It got its naval architect, who had never designed a catamaran before, to design a false catamaran, adding as much weight as they could, just to discount it, which is worse than negligent.

I would also raise the issue of inflated prices for ferries around the world. That tends to indicate that something else is wrong here. In the recent tender for the second Islay class, there was a bid that was 20 per cent below the winning bid, with a delivery time of 18 months, which was half the time in the accepted bid from Cemre in Turkey. CMAL is taking bids, accepting winning bids, appointing bidders that have bid higher prices, excluding catamarans from the bidding process, and accepting later delivery times. That makes things worse for the islanders, who are desperate for ships.

We also have to remember that these are agencies that do not really have much in the way of maritime education. They do not understand

that there is a shipbuilding cycle, for example. If they knew the theory of shipping and maritime transport theory and policy, they would understand that you never order ships at the peak of the cycle. That is what they have been doing: they have been ordering ships at the peak of the cycle, when they are expensive. That is another problem—ferry agencies and Government tend not to be aware of those things.

There is a range of issues to do with user needs and frequency—that is a key issue—but it always comes back to procurement. We have a flawed and failed procurement process and, if you do not mind me saying so, a lot of potential skulduggery on the Ferguson Marine thing. A lot of evidence that was previously presented to committees from Luke van Beek, Ferguson's management, me, Roy Pedersen and others demonstrated that the bringing down of Ferguson's, which happened for the second time—not the first time—with CMAL, could have been intentional. Going in every day and making changes to the design and production ensured that the ships would never be delivered. Why was that? That was probably because the preferred bidder did not get the contract. This is where—

The Deputy Convener: I am conscious that this is a—

Dr Baird: There is a range of issues—

The Deputy Convener: We are having the inquiry in order to inform the next islands connectivity plan. You will be aware that the Parliament's Public Audit Committee is looking into some of the issues that you are talking about.

I will move on to Roy Pedersen. In your introductory remarks, will you outline what you think island and remote rural communities need from their ferry service? That was the original question.

09:45

Roy Pedersen: I would like to clarify one point at the beginning. After the last evidence session of this kind, I received a letter from CMAL's solicitors, threatening me with an action in the Court of Session unless I changed my evidence. I just want to check that anything that we say in this session will be privileged and that we cannot be subject to suits for defamation.

The Deputy Convener: The Scottish Parliament has rules around that that are different from those of the Westminster Parliament. Unless the clerks can give me clarifications, I am afraid that I cannot give you any legal advice. I am not permitted by parliamentary rules to give you legal advice. If that was of concern, you might have wanted to seek advice on it before you came to

give evidence. However, I assure you that the committee will treat everything that you say with respect. This is a public session, and it is on public record. If you want to seek advice on that, I can suspend the session. I can seek advice on what you can and cannot say in respect of being open to the action that you mentioned, but it would have been helpful to have clarified that in advance if that was a concern.

Roy Pedersen: Okay. Thank you. We will proceed with the session as planned. In fact, the clerk in the previous session assured me that any evidence given in such sessions is privileged, but it might be worth checking that out.

Island communities require good connectivity—Alf Baird put his finger on this—with frequent, reliable services, preferably run in a cost-effective manner that does not cost the Scottish taxpayer an arm and a leg, as it currently does.

It is worth pointing out that there are 10 vehicle ferry operators operating year-round in Scottish waters. Most of them provide a good, reliable and, in many cases, frequent service. Some are exemplars of good practice. In that regard, I will name Shetland Islands Council internal ferries, Pentland Ferries, which operates across the Pentland Firth, and Western Ferries on the Clyde. They have simple vessels with frequent services, and they are efficiently run.

There is one major exception: that is the CalMac-CMAL set-up. In that case, the productivity is absolutely appalling. Alf Baird and Neil Kay have referred to that. CalMac was set up to be self-financing, but it never has been, and it now costs £150 million a year in subsidies. We need simple vessels that are run in a manner that is accepted internationally as being quite normal.

I take slight issue with what Neil Kay said about short crossings. The key to providing frequency is selecting the shortest feasible crossing for a ferry route. I will explain why that is important. Ferries are much less efficient than road transport. Road transport is a very efficient means of transport. A ferry will cost between four and 10 times as much per vehicle mile if the vehicle is carried on it as it would cost to send the vehicle along a road, and transport on a road is at least twice as fast. On the emissions of a ferry compared with those of a car or a lorry driving along a road, collectively the emissions of a ferry will be between four and 10 times those from driving along a road. The shorter that you can make the crossing, the less emissions you will have, and the faster the overall journey will be. After all, a ferry is just a bridge across a piece of water. It is part of a journey; it is not the end of a journey.

If there is a short crossing, it is likely to be a crossing that will be used more frequently, and it is

likely to provide more capacity than a long crossing provides. It will be cheaper, there will be less emissions, it will be used more frequently, it will provide higher capacity, and it will cost the taxpayer less. It is a no-brainer really.

Each island community is different, and there is no one-size-fits-all solution. However, there are models out there that I have mentioned, and they are the route that one should go down.

I know that time is short, but there is one final thing. Within the Scottish Government, there is a mantra of no debundling. That is a mistake. The future has to be small bundles. The Mull and Iona community is interested in the possibility of taking over its ferry service as a community venture. That fits in exactly with the Scottish Government's Islands (Scotland) Act 2018 and empowering local communities. It is absolutely spot on in that regard but, as things stand, there seems to be great resistance to that possibility. If that caught on in Mull, it could catch on in other places. Arran might be another contender for that, as well as some other places. The answer is small bundles with community control where feasible, as Neil Kay mentioned.

I will leave it at that for now.

The Deputy Convener: Thank you very much. I appreciate that. I hope that we will come back to many of the points that you have raised. The point about net zero considerations and energy use is interesting. Later, Neil Kay can perhaps address the difference of opinion there. That would be interesting to hear.

We need to move on. I will go to Liam Kerr for the next set of questions, to be followed by Jackie Dunbar.

Liam Kerr (North East Scotland) (Con): Good morning, panel. I would like to go back to something that Neil Kay said in his introductory remarks. The current set-up has CalMac Ferries and Serco operating services, but the vessels are owned by CMAL, and various ports and harbours are also under that organisation. Is that the best model for running services and, if not, why not?

Professor Kay: Essentially, CMAL was created because of the decision to try to comply with European Union rules and to have transparency in the awarding of contracts to CalMac. CMAL was originally CalMac in the sense that CalMac owned and ran its own vessels. That is a clumsy solution; that point was made or implied by Alf Baird and Roy Pedersen. It comes back to my point that the operator is usually the best decision maker as far as the vessels are concerned. In that respect, there is an element of unneeded redundancy in the system.

An argument has been made that ports and harbours should be under one body. At the moment, CMAL owns some of them but not all of them. It would make sense for a ferry network if the ports and harbours were under either council control or unified control at national level. In my view, the better system would be to have ports and harbours controlled at a local level. We have seen other places where ports and harbours can be developed around the ferry network and be an integrated part of the system. Having the councils responsible, with appropriate financial support where necessary for the smaller ports and harbours, would be the better solution for the existing network.

That is partly the case at the moment, as councils own ports and harbours in certain cases. An example is the Gourock-Dunoon service, where the council owns the port at one side of the estuary and CMAL owns the port on the other side. There is a disconnect in unified decision making when it comes to ports and harbours.

Liam Kerr: I want to take up the second part of that answer with Roy Pedersen. Neil Kay talked about what might be a better model. Roy, in your opening remarks, you pointed out that CalMac was set up to be self-financing but suggested that, as it is being operated, it clearly is not. You suggested that there are other models that we might consider. What are the models that would be better for those services?

Roy Pedersen: In a nutshell, the country with a model that functions extremely well and provides vehicle and passenger ferry services economically and efficiently is Norway. In Norway, it works with small bundles. Four or so large ferry operators bid for those bundles. The bundles come out periodically about once a year. A bundle can be a single route or a group of routes. The operator brings its own ship to the show, as Neil Kay said. The Norwegian Government takes nothing to do with building ships or designing ferries; the operators provide their own ferries. That is much simpler and functions extremely well. For example, most Norwegian ferries operate from 6 o'clock in the morning to around midnight, and some of them run through the night. That level of service is unimaginable in Scotland, except in Shetland and with Western Ferries. That is the way to do it.

As for the ownership of terminals, in Norway it is variable but a lot of the terminals are owned by local authorities. Normally, in Norway, ferry terminals are unmanned. The ferry comes in and the cars, bikes, lorries and passengers come off over the linkspan. The next lot is queued up and gets on, and the ferry goes on.

The recently purchased MV Loch Frisa is an ex-Norwegian ferry, MV Utne. In Norway, she operated with a crew of four and no shore staff, so

four people operated that ferry throughout the day. Now, the ship has a crew of seven. At Craignure, there are two people on the pier, two people on the linkspan moving hurdles about and a person marshalling the traffic. Adding five and seven together, using my arithmetical skills, that comes to 12 people, not counting the numerous people at Oban marshalling traffic, selling tickets, catching heaving lines and so on. You are talking about having 15 or 16 people to operate the MV Loch Frisa in Scotland, whereas four people did it in Norway. That is the level of malfunction, I suppose you could say, in the Scottish ferry system, and it costs an arm and a leg.

At Brodick, for example, the newly built pier that was constructed by CMAL for £30 million, which was recently opened, does not function in a strong easterly wind, because the ships are in danger when lying alongside. It is badly orientated. I have been told—I would not say that it is necessarily true—that there are more people behind a desk in Brodick terminal than there are selling tickets in Glasgow Central station. All the large ship terminals operated by CMAL are overmanned, as are the ships.

I recently wrote a book—

Liam Kerr: Roy, I will cut you off there. It is very interesting, but there will be questions on staff later that my colleagues will pick up with you.

I have a final question, which is for Dr Baird. The 2012 ferries plan is due to be replaced by the islands connectivity plan, and ferries will be part of that. However, there is a separate draft long-term plan for vessels and ports, which has been given to key stakeholders for consultation. Do you have a view on whether it is optimal to consult on the two documents separately, and should it be done with only key stakeholders having access to one at this stage? Should the documents be separate at all?

10:00

Dr Baird: Such consultations are usually a pretty flawed process, because the decisions will have been made anyway. The problem is that the objectives of the vessel replacement plans are never met—they have never been met and never will be met. They are just aspirations, and they are always flawed and never achieved. Some islands have been waiting for new ferries for decades. If you are replacing less than one ferry a year, some islands will not see a new ferry in 30 years. That is a problem. The problem is that the objectives of fleet replacement have never been achieved.

As Roy Pedersen says, it goes back to the form of central planning that we have. However, if you debundle and do route tenders, as happens everywhere else, the process is much faster.

When I was involved in a Norwegian tender, the Norwegians were amazed to learn that there were 200 pages of requirements for the Clyde and Hebrides ferry services—CHFS—tender and that it took a year or more to get the contract done. The Norwegian ferry tenders were four pages long, just like a bus contract, and it took a few weeks to get an operator in place. Bureaucracy could be dealt with much better and more efficiently here.

The other aspect of CMAL's creation was that it created a vessel-owning company that then leased vessels to the operator, which was unique in Europe. I am not sure whether that was an EU requirement. What most EU countries did was debundle, do route tenders and privatise the operations of state-owned companies that had always been problematic and had never delivered a good service or value for money. Value for money here is a big issue. We are not getting value for money from the current system.

Liam Kerr: On that point, you made some interesting comments earlier about procurement involving—or not involving—catamarans, for example. Is it your understanding that the consultations are picking up that procurement issue, with a view to analysing whether the problems that you suggest exist and, if they exist, what to do about them, or are those consultations not the best way to do that?

Dr Baird: The whole process is flawed initially, because the ship's specification is fixed. It comes out of CalMac and goes to CMAL, and then Transport Scotland funds the eventual ship. CMAL gets designers to come in and put together designs for that spec. The spec is for a monohull—it is not a catamaran specification. Length, beam, draught, displacement and power are all specifications for a monohull, which is extremely inefficient compared with a catamaran. That process then excludes superior options such as catamarans.

Basically, the procurement process is flawed and restrictive. It also includes some monohulls that are offered at lower prices from Asian yards, as was the case recently with the two Islay vessels. Last year, there was a rapid procurement process of 40 days for those two extra vessels. The order was rushed through before the end of the year. An Asian bidder has complained to ministers about the process being rapid and about not being given access to detailed designs of the ships that were held by the Turkish yard and a Norwegian naval architect commissioned by CMAL. A lot of the process needs to be considered, as it is restrictive and perhaps geared towards selecting an operator.

That goes back to my earlier point that a big sign of failure in a procurement process is inflated prices. We know from market analysis that we

have done that we are paying inflated prices for ferries all the time. There have been a number of scandals around the world that you need to be aware of, and I will give you one example. The Estonian ferry bribery scandal involved four ferries—two from Poland and two from Turkey—that were ordered by officials, but the deal was subsequently found to involve €4 million in bribes. The sign that something was afoot in that case and others was inflated prices.

Liam Kerr: With deep respect, Dr Baird, I think that we will have to get on. We need to stick to the point.

Dr Baird: Yes. Okay.

Liam Kerr: I have no further questions.

The Deputy Convener: We are very grateful for your informed evidence, but a number of our colleagues have questions that they would like to ask.

Jackie Dunbar (Aberdeen Donside) (SNP): Good morning, panel. My first question—I will ask my other ones later—is about the management arrangements for Scotland's ferry services. What role should communities and ferry users play in those arrangements, at national and local level? I can see Alf Baird nodding, so I will go to him first.

Dr Baird: Management is a very important issue. I am a professor of business, so I would say that, but, from what I can see, the people dealing with procurement and the operation of ferries seldom have a maritime business education. In many cases, the people making the decisions do not have a formal education in shipping or maritime economics, for example, which is a discipline on its own. For example, I mentioned the shipbuilding cycle—they are unaware of that. There is a need for real expertise to be brought in, and some of the people who have been appointed to procure ferries and so on have come from organisations that have had their own problems, so we have been recruiting people who do not necessarily have the right skills.

The officials running departments—Transport Scotland, for example—are dependent on those agencies for the expertise, but they do not have the right expertise. That goes back to the point that Roy Pedersen made about the Norwegian system, where you have several private operators that have maybe the right expertise and are used to bidding for different ferry contracts across different countries, just as is done for bus and rail contracts. That is the normal, standard process.

There is that option of tendering more widely and debundling. The reason why operators do not bid for the Scottish ferry market is that it is one big fleet that they have to take, and the inefficiency of the system is built into the fleet.

Jackie Dunbar: I understand that, but what role can communities and the ferry users on both sides—mainland and island—play in that?

Dr Baird: Roy Pedersen has done a lot of work on community ownership and operations. Communities can certainly run ferry services if they wish; there is no doubt about that. At the moment, some communities have no option. To improve things, they have to start to consider their own community operations. The system is so dire in many cases and is letting people down so badly that economies are really struggling because of the failure in the systems. I think that Roy has done a lot of research on community ownership, including in his work with Highlands and Islands Enterprise.

Roy Pedersen: Yes. The closer a tender can be to a community, the better, because the community is most likely to know the sort of service that it desires. It also puts a discipline on the community, because as well as seeking the best service that it can, it has to do so in a cost-effective manner. The closest a community can get to being involved in the tendering system is to run the ferry itself. That has been looked at on Mull. There is an ambition, if things stack up, for the Mull and Iona community to have a go at running the ferry service by purchasing its own vessels, which would probably be efficient catamarans, in order to revolutionise the service by providing an hourly service in summer from early in the morning till late at night. That would be totally different from the system that exists at the moment.

Community ownership would be the closest that you could get to community involvement, and that, as I mentioned, would be very much in line with the Islands (Scotland) Act 2018. Where communities were not interested in that, you would find that the local authorities, to an extent, would have to represent the communities' interests in pulling together the tender, but local authorities should consult with the communities to see what their requirement is.

Jackie Dunbar: Always.

Professor Kay: I will add two points. The first is that I have some previous experience in this matter. I resigned from the expert ferry group, saying explicitly in my letter that the problem was that community voices were excluded from any influence over the plans and strategies that were being put forward. That is endemic at all levels, as far as communities' involvement and voice are concerned.

The second point is that, if communities have to run their own ferry service, that is an indictment of the failure to provide proper public services. As, I am sure, Roy Pedersen and Alf Baird would

agree, running a ferry is not a trivial matter. Communities have enough to contend with, on a day-to-day basis, living in isolated areas, which, in many cases, is difficult to sustain, without the responsibility of running a ferry. There may be communities that really want to do that, but, in economic terms, if a community has to run a ferry service, something is wrong with the public provision of transport services locally.

Jackie Dunbar: Just to be clear, are you saying that a community should play a big part in the management arrangements but should not necessarily take ownership of the service? Are you saying to do whatever works for the community?

Professor Kay: There are two points to make. Communities should have as much voice and involvement as possible on consultative groups with the ferry companies and others but, if they have to run the ferry services themselves, that is a major step beyond that.

Jackie Dunbar: Thank you.

The Deputy Convener: Mr Pedersen, as you might appreciate, I wanted to check the situation, and I can confirm that you are, indeed, covered by privilege in what you say to the committee.

I will stick with you and ask about project Neptune, which has been published. We will see which recommendations are implemented, but will you share some views on project Neptune? I will then come to Neil Kay.

Roy Pedersen: Thank you for clarifying the earlier point.

Project Neptune was a rather expensive job, but it was a little disappointing. I suspect that what might come out of it is an amalgamation of CMAL and the David MacBrayne group, or CalMac Ferries.

Project Neptune looked at four examples of the subsidisation of ferries in other places: British Columbia, the Hauraki Gulf in New Zealand, Norway—briefly—and Sydney harbour. With the exception of Norway, none of those was particularly relevant to the Scottish situation. However, the Norwegian system was kind of glossed over, because that system requires debundling, and it seems that, at present, the powers that be in Scotland are not minded to go down that route.

Project Neptune was an expensive job and somewhat disappointing. I do not know whether I want to say much more about it. I suspect that an amalgamation of CMAL and CalMac will come out of it.

Professor Kay: I will tag this on to the points that Roy Pedersen has made. If project Neptune

results in the amalgamation of CMAL and CalMac and the ports and harbours, that will be a mistake. There needs to be, at one level, a root-and-branch reorganisation of the ports and harbours and, at another level, of the ships.

I take the points about debundling. The main advantages of bundling are well established, including economies of scale in tendering and interchangeability of crews and vessels. If you are going to debundle, you have to consider at what level you are going to do so. Do you debundle at the local level or the regional level, or do you debundle by kinds of ships? If you are going to talk about debundling, you have to go a step beyond and ask what debundling will achieve other than smaller contracts.

The Deputy Convener: Thank you. Those are issues that Monica Lennon may want to pursue in her questioning.

Monica Lennon (Central Scotland) (Lab): I will begin by referring to my voluntary entry on trade union interests in the register of members' interests.

I had questions about bundling, but your positions were set out in the quite comprehensive opening remarks.

Norway has been mentioned quite a lot. I am keen to ask a little more about that model. Roy Pedersen has expressed the view that it would be his preferred model for unbundling. From my reading, the situation in Norway is different from that in Scotland, and things are on a different scale there. Ferry services in Norway take around 10 times the number of passengers we transport in Scotland, and there is still public subsidy for the four private companies there. Are you aware of the extent of that public subsidy? I know that the figures were not included in project Neptune.

10:15

Roy Pedersen: I do not have the figures at my fingertips—I do not know whether Alf Baird has them—but the subsidy per ferry route in Norway is a lot less than it is in Scotland. There are a lot more ferries in Norway. In recent decades, a lot of them have been replaced by tunnels and bridges—fixed links—but there are still a lot of ferries.

Monica Lennon: So that we can be clear when we are making comparisons, I believe that there are around 44 million passengers every year in Norway, which is 10 times the Clyde and Hebrides ferry services network number—is that correct?

Roy Pedersen: Yes—but bear in mind that the Clyde and Hebrides ferry services network is less than half of Scotland's ferry provision. As Neil Kay said, Western Ferries alone carries more vehicles

and passengers on its one route than all of CalMac's Clyde routes put together do. When we add Orkney and Shetland—Orkney's interisland ferries are very busy, Norwegian-style ferries—and the Cairnryan routes to Ireland, we see that CalMac runs a minority of services in Scotland.

The difference between Norway and Scotland is not so great. Where the difference is significant is in productivity. The productivity in Norway, as I mentioned regarding MV Loch Frisa, is much superior to that here. The ferries are run very efficiently.

I appreciate that you come from a trade union background. The typical large CalMac ferry has a crew of around 30. The MV Alfred, which runs across the Pentland Firth, has a capacity that is similar to that of a large CalMac ferry, but it has a crew of 13. CalMac routes of less than an hour have up to a dozen catering staff. Why is it necessary to have catering on a one-hour crossing? A coffee bar selling beverages, chocolate biscuits and suchlike seems reasonable. I will have a three-and-a-half-hour train journey to Inverness this afternoon, and I will not even get a cup of coffee on the train. Why do we need full catering on a CalMac service?

Monica Lennon: Is your argument that you want to see fewer crew and less catering provision on ferries?

Roy Pedersen: Yes.

Monica Lennon: Okay.

Roy Pedersen: There is also the business of crew living on board. In some cases, it is necessary for crew to live on board but, on many routes, it is not. In a modern CalMac large ferry, each crew member has a large, en suite single-berth state room. For 30-odd crew, that takes up an awful lot of space. Basically, there is a hotel for the crew on top of the ship, which would otherwise not be necessary. That adds to the expense of the build of the ship and greatly adds to the operating cost. That is all part of the productivity issue.

On the shore side, a large number of people are employed in the larger ferry terminals. In Norway, there would not be anybody at the terminal unless it was a very busy place, in which case there might be somebody directing traffic and an office selling tickets. However, by and large, ferry terminals there are unmanned.

Monica Lennon: Just to be clear, Mr Pedersen, is it your belief that reducing the terms and conditions or the experience for crew leads to better public service for passengers?

Roy Pedersen: I would not necessarily reduce the terms and conditions—certainly not the wages—although the CalMac terms are very generous compared with industry standards, but

what is the point of employing large numbers of people unnecessarily and using public money to do so when there is a shortage of people in the health service and the education service?

Monica Lennon: I am not sure that we can easily transfer the crew from those ferries into the national health service—certainly not overnight.

Dr Baird: Can I add something?

Monica Lennon: I am about to come to you with a question, Dr Baird.

Dr Baird: I was just going to say that, as we have suggested before, a move towards catamarans would be important because, with lower-cost vessels, you can have double the vessels or more for the same money. The problem with Scotland's ferry network is that it does not have enough ships. Norway has more than 300 ferries; we have fewer than 100. CalMac's fleet of 31 ships could easily be doubled, and that would provide better frequency. That goes back to the user needing frequency. You get that with more ships.

With different manning arrangements, you get the same overall crew numbers on double the ships. I am sure that the National Union of Rail, Maritime and Transport Workers would be willing to discuss different arrangements, such as moving to more efficient tonnage and having a better shift system, or rota, rather than people living on board all the time for many short routes, which is unnecessary in the modern era. That is a legacy of the old steamer times of Para Handy going round the islands with crews onboard for weeks. That is not needed on a one-hour crossing; there can be a normal shift system, or even two shifts a day, and longer operating hours.

By procuring more efficient ships, there could be double the ships. That could be done by Government if it had the right management in place. At the moment, Government does not have the right management in place in CMAL, CalMac or Transport Scotland to deal with ferry provision. It does not have the global expertise that it needs to do that, but there is a way to do it that maintains and increases the number of people working at sea. We have an underdeveloped system.

Monica Lennon: You mentioned catamarans, and you seem to be quite keen on that approach. You certainly know more about it than I do. Do you have a commercial interest in that area or financial links with manufacturers?

Dr Baird: No. I have worked with most of the naval architects who deal in catamarans and some monohulls over 30 years. My work is always in research, mainly for the EU and other bodies.

Monica Lennon: Okay. So you are not commissioned by private interests.

Dr Baird: No. I simply compare monohulls and catamarans. Previous submissions to Scottish Parliament committees showed that the £300 million that is being spent on the two vessels at Port Glasgow at the moment would have been enough to replace 30 CalMac ships with catamarans. I have submitted that information previously.

Stuart Ballantyne, who is a designer in Asia, is a Scots expat who has built more than 100 of those vessels. Currently, he is building 30 50m catamarans for the Philippines. They come in at a very low cost. We have operated one in Orkney for over 12 or 13 years. We are on to the second one now. They work very effectively.

Monica Lennon: So, you would like to see Mr Ballantyne being more involved in Scotland.

Dr Baird: Yes. He has offered to build those under licence at Ferguson's. When Jim McColl owned the yard, Stuart Ballantyne offered him a contract to build 30 or even to replace the entire Scottish fleet, including for Orkney and Shetland, with 50 catamarans and to use that as a platform for exports, to build up expertise, and to have a training school.

A Clyde catamaran group is being developed. It is linked to Robert Buirds and his campaign for the Inchgreen dry dock to be reinstated. At the moment, it is blocked from being used by the port of Liverpool owner.

A good shipbuilding strategy could be developed by central Government. Central Government could operate the ferry systems more efficiently. Lothian Buses is a great template for a public sector body that works really effectively. I have been a user of Lothian Buses for many a year, and my uncles were shop stewards there.

Monica Lennon: We have a big interest in buses too, but I am conscious of the time.

Dr Baird: Yes. There is a way to do it.

Monica Lennon: To go back to the Norway model, you said in the *Caledonian Inquirer* in December:

"If you tendered and debundled, you would get the private sector coming in and operating services in corridors and different routes, but still regulated by a transport authority, as they do in Norway."

On the other side, I have heard concerns that people who call for that are really calling for companies such as Serco and P&O, which are not as generous with wages and conditions, to come in and bid for profitable lifeline routes. Is that what you would like to see?

Dr Baird: No. The integrated transport providers across Europe are not necessarily the Sercos or even the P&Os of this world. Companies such as

Veolia and others that were interested in bidding for Scottish routes on a debundling basis—Stagecoach as well, to some extent—are integrated transport providers that operate buses, trains and ferries. They regard ferries as transport vehicles. We have to look on a ferry as being another bus or train, rather than as something unique that has to be managed separately. Having ferries as part of an integrated transport system can be done, but, as I said, you could still have a central Government-run operation, as long as it is run efficiently.

Monica Lennon: I am keen to hear from Neil Kay. How do you respond to concerns that unbundling the Clyde and Hebrides ferry service contracts could lead to private operators cherry picking routes and leaving the state to operate the most difficult or unprofitable routes?

Professor Kay: Again, it depends on what you mean by unbundling. The point has been made that you do not have to unbundle on a complete route-by-route basis. You could do it with small bundles of four or five. That was mentioned earlier.

You tend to find that, across Europe, incumbency wins. The incumbent operator has the advantage of knowing the markets and the conditions, and it is well placed to win the next contract. Opening up to contract more widely, as has been the case in the past, does not have to be an and/or situation—it does not have to be either a public operator or a private operator.

Outside the network, joint ventures are very common. With joint ventures, the local expertise of the incumbent is married with other expertise, such as the technical expertise of the joint venture partner. There are potential partners for CalMac. If it were to offer up either the whole route or four or five bundles of the CalMac network as a whole, CalMac would be well placed to win those tenders because of incumbency and by bringing in expertise from outside.

I would not put it as an and/or situation involving public versus private. That is not the way that things tend to happen in other contexts.

Monica Lennon: Thank you. That is helpful.

The Deputy Convener: We will move to questions from Mark Ruskell, who is joining us remotely.

Mark Ruskell (Mid Scotland and Fife) (Green): Good morning. I want to ask about road equivalent tariff, what the case might be for reform of RET and how RET has influenced services and procurement over time. I realise that we are a bit short of time, so if I could get a nugget of a response from each of you, that would be fantastic. Let us start with Alf Baird.

Dr Baird: Roy Pedersen is the inventor of road equivalent tariff, so I am sure that he will be able to tell you much more than I can. Obviously, it has increased demand. If you reduce prices, you are likely to increase demand. The problem is that the system could not cope. The system capacity is limited. Whereas Norway has introduced more than 200 ships in the past 25 years, we have struggled to introduce a couple in the past 10 years. We really are in a different ball game. We need a lot more ships.

I come back to the point that I made earlier. From a lot of passenger survey work across Europe, for the European Commission and others, I have found that frequency is the key requirement and the key driver of demand. You can increase demand much more easily by increasing frequency. If you have a bus every half hour or every 15 minutes, that is a lot better than having a bus every four hours. The way to increase frequency is to have more vehicles or faster vehicles. It is not rocket science; it is pretty straightforward. Ferry companies do it all the time, but here it seems to be a problem because of the inflexibility of the management structures, the processes and the prescribed way of doing things. The view is, "It's the way it's aye been done." They have never been able to look outside the box, as it were.

We need to change things. In my view, RET has a limited role. Theoretically, you could have free ferry routes, as happens in some places—for example, with the Staten Island ferry. Nothing is free, of course; somebody has to pay for it. Theoretically, we could get to that, but the key driver of demand is often frequency, and that means more boats.

Roy Pedersen: Alf Baird is right. When I was a young transport research officer with the Highlands and Islands Development Board, I was tasked with coming up with a solution to what was called the mainland comparison for ferry charges, and, for my sins, I invented road equivalent tariff. The idea was that it should not cost significantly more to put a vehicle across on a ferry than it would to drive it along a road.

10:30

The downside is that it is a blunt instrument. I have to say that I am not a believer in road equivalent tariff. We need a more market-orientated charging system. Although it is useful to have low fares for island residents, it seems to me to be unreasonable to heavily subsidise tourism. The idea of tourism is that it contributes to the economy, not that it abstracts from it. We should have a two-tier system of lower fares for local residents and more realistic, commercial fares for others. We should also look at demand

management so that, during busy periods of the day, week or year, fares are higher than at quieter times. That is normal demand-management practice.

We are familiar with airlines: if you book well ahead, you get a cheap fare; if you book close to the time of the flight, it will cost you a lot of money. You may have paid £30, and the person next to you may have paid £300. That is the way it is. I would not go to that extreme with ferries, but there should be something that is more flexible than the present system. I outlined something of it in my paper.

Cheaper fares for local residents could be handled through the bus card system, whereby a card for local residents would get them a lower fare. It could also apply to their cars—there could be a lower fare for those whose car is registered to an island address.

Mark Ruskell: In your written submission, you mentioned linking that in with air travel as well. A national entitlement card for island residents could potentially cover different transport modes.

Roy Pedersen: Exactly.

Professor Kay: Before RET was introduced, I was invited by a council to discuss the pricing of ferry services. It wanted me to do a study of RET. I refused, because I feel that it is not just a blunt instrument but an inflexible one, as Roy mentioned.

Economists are always looking for employment. I can assure you that there would be no lack of economists who would be able to do studies of what the impact would be of price variation on various kinds of routes. We could find out fairly easily what the impact would be of different price schedules. That kind of data-founded approach to pricing should be used, not one whereby you have pricing for one transport service—ferries—being made equivalent to pricing for quite a different transport service, namely roads. It is better to have RET than not, compared with what was there before, but it is not the best system that we could have. The system should be much more sensitive to market and local needs.

Ash Regan (Edinburgh Eastern) (SNP): Good morning. You have all suggested, in different ways, that the vessels that are procured by CMAL are inefficient and overspecified. You have been quite critical of the idea of unique designs. Will you say a little more about that? Is there any reason that is particular to Scotland—to do with, for example, the sea conditions here—that would mean that a unique design is appropriate for Scotland?

Roy Pedersen: Each island service is different. There is not one type of vessel that would do for

the whole of Scotland. You need horses for courses. The big-ship CalMac system is very inefficient. That is to do with the monohull design. It is also to do with the very large crews—other operators would not dream of having crews of that size.

To allay the fear of job losses and so on, as Alf mentioned, shift working is a way of extending operating hours. At the moment, most CalMac services stop just after teatime, because the crew's hours have been used up. The ship is tied up, and the crew rest or do whatever they want to do. With a shift system and the crew living ashore, where possible, it would be possible to extend the operating hours from early in the morning until midnight, with two shifts. In that way, we could extend the capacity of the route and, by providing more capacity and greater frequency, generate more revenue for the route.

That is one issue. Another, which Alf mentioned, is that, for much of the system, catamarans are now well-proven best practice in many circumstances. Going down that route would save the Scottish Government an awful lot of money in the capital and operating costs of the vessel. The fuel consumption of a catamaran tends to be about half that of an equivalent-capacity monohull, and if you halve the fuel consumption, you halve the emissions.

One of the recent developments in the CMAL-CalMac system is electro-diesel vessels, which are hybrid vessels that have batteries and diesel engines. The idea is that they are much better from the point of view of emissions, but that is not entirely the case. The fuel consumption of those vessels per car space per hour is about four litres. The fuel consumption of Western Ferries' conventional boats is about half that, which means half the emissions. The Western Ferries boats cost a third of the price of the hybrid vessels and carry almost twice as many cars.

Why are we building hybrid vessels that are rather inefficient and are not heading us towards net zero? Given that they use batteries, you might ask why that is the case. Part of the reason, from what I have worked out, is that carrying a lot of batteries increases the draught, so it takes more power to push the boat through the water. Secondly, the vessels do not recharge the batteries between runs; they charge the batteries only at night. In Norway, battery ships plug in while cars are being discharged and loaded.

Ash Regan: Thank you for that. Do other members of the panel have anything to say about overspecification?

Dr Baird: We must remember that pretty much all CMAL-CalMac ships could be regarded as unproven prototypes. There is a slightly different

spec for every one, so it is unproven. It is a bit like—I have made this comparison before—going to a car manufacturer such as Ford with your own car design and getting Ford to build it, rather than just buying a Fiesta out of the showroom. The Fiesta will obviously be more reliable, cheaper and quicker to get. That is a fact.

That is the situation that we are in. The preference for designing prototypes means that the vessels end up with enormous weight. As I mentioned, weight is extremely important in a ship. Displacement is extremely important, because that is the crux of your economics: efficiency, power requirement, emissions and so on. That is where the catamaran wins hands down, because its displacement is usually half, or less than that, of a monohull. I am talking about small ferries of under 100m, which we know are much more efficient in multihull form. The problem is that the specification that is drafted has always dictated a heavy monohull.

I have a comparison for the heavy hybrid, as I called the four or, eventually, three small vessels that were built for CMAL by Ferguson as 43m ships for 23 cars at £11 million each. Western Ferries built 40-car capacity ferries at £4 million each. Other people were building them for Denmark at £4 million. Catamarans of 30m with 35-car capacity were offered at £4 million, but CMAL bought these heavy hybrids that weighed 900 tonnes, whereas a catamaran equivalent weighed about half of that. We are talking about extremely inefficient boats that are designed by amateurs, basically. I would call them amateurs—they are real amateurs. The whole process is determined by dilettante management.

Ash Regan: I will move on. The committee has heard that some routes might be better served by two or maybe more smaller vessels rather than one large boat. I am thinking of the Loch Seaforth on the Ullapool to Stornoway route, where I know that the local community would have preferred to have had two smaller boats rather than one large vessel. I can see that having more boats would probably increase resilience; that seems obvious. It might provide a boost to the local community and so on, but are there downsides to that? We have talked about increased staffing. Would that increase operational costs? What do you think?

Roy Pedersen: At the time when the Loch Seaforth was conceived, all of us pleaded for two smaller ships rather than one large one. Apart from resilience, the advantage of having two ships is greater frequency of service and more capacity. Greater capacity has the potential for developing traffic and therefore developing revenue. It might be marginally more expensive to have two ships, but if they are efficiently crewed, with a crew of 12 to 14, rather than 40, as in the case of the Loch

Seaforth, there is not that much difference in the crewing costs. There would be a slight difference in capital costs. It would be slightly dearer to have two smaller ships than one large one. However, the fact that you can have greater frequency and can generate more traffic and more revenue should more than offset any additional cost.

When the 802 was being conceived, we were in the expert ferry group, and I asked why one ship was being built for the Uig to Tarbert/Lochmaddy route. It is really two services, because when the ship is running to Tarbert, it is not running to Lochmaddy, and it operates a very inconvenient schedule because of that. I also asked why the new vessel had a capacity of 1,000 passengers when the route has never carried more than a third of that number on any sailing. That was ignored, and the decision was taken to proceed with this monster of a ship, which will now not run on the Uig to Tarbert route; two ships are to be provided.

On some routes, more than two ships are needed. Western Ferries operates four ships on one route. As well as making a profit of, I guess, about £2 million a year, the company pays almost £1 million in tax to the revenue. Rather than abstracting money from the Scottish economy, Western Ferries contributes tax; admittedly, that is to the United Kingdom economy.

The Deputy Convener: Finally, I will bring in Jackie Dunbar.

Professor Kay: Sorry, may I just add a point? If you had a more frequent service on those routes, with more efficient vessels, it would not only be potentially beneficial to the communities, but, if there were to be a transfer from more heavily crewed larger vessels to more efficiently run smaller vessels, crewing levels could be maintained in some cases. Therefore, from the point of view of trade unions, the transition could be eased.

The Deputy Convener: That point was well made by users and communities during our inquiry visits, particularly in the Western Isles.

Jackie Dunbar: I want to come back to Roy Pedersen. You said at the beginning that the ferry journey is part of the journey and not the whole of it. That is important. In an evening evidence session a few weeks ago, some folk said that they had problems in trying to get rail and bus services. When they got off a ferry, they couldnae get the rail or bus journey that they needed. How could we marry those up to get an integrated service? Are you aware of any international examples from which we could learn lessons?

10:45

Roy Pedersen: Yes. Each situation is different, of course, and no solution will fit all circumstances, but I will give an example of how very different things could be. At the moment, Islay is served by sailings from Kennacraig to Port Askaig and Port Ellen, and that relatively infrequent service comes at great cost to the Scottish Government. For a long time, many have been proposing what is called the Islay overland system, which would involve a short, frequent ferry service from Keills to Lagg on Jura, a road journey through Jura and then a short crossing across the Sound of Islay to Islay.

The main reason why that has never happened is that the road on Jura is of very poor quality. It is an A road, but it is of very poor quality, with grass growing up the middle of it. It is a very poor, narrow single-track road. Likewise, a fair bit of the road on the mainland side is inadequate. However, if the overland system were instituted, it would, at a stroke, reduce the ferry cost. You would be talking about a four-crew ship operating frequently instead of two 30-crew ships, so it would increase capacity greatly, provide a shorter overall journey time and almost enable you to travel between Islay and, say, Glasgow at any time you wanted.

You asked about international examples. Similar systems, including bus services, exist in many countries, including Norway, and in British Columbia and elsewhere. A bus could start in Port Ellen, drive to Port Askaig, cross on the little ferry, drive up through Jura, travel across on the other ferry and then drive to Glasgow. That could run several times a day—three times a day, let us say. You would put your luggage on the bus on Islay or Jura, at whatever stop you got on, and the bus would take you to your destination without any difficulty. It would be a completely seamless system.

There is a system like that between Dunoon and Glasgow, via Western Ferries. The bus travels on the ferry. That system is not economical if you have a long ferry journey, but it works for short, shuttle-type ferries. Otherwise, ensuring that there are good surface transport connections between ferry terminals and where passengers are likely to want to go is fundamental.

Professor Kay: I have a point to add, which comes back to the point where Roy Pedersen and I disagree. I made the point that short crossings tend to divert users away from the original destination. Roy mentioned Gourock to Dunoon. MBA Consulting Engineers did a study for the Scottish Government of traffic that came off the Western Ferries service. It found that 90 per cent of the traffic that came off at the terminal on the south of the Clyde would head towards Glasgow.

On the north side of the Clyde estuary, 74 per cent of the traffic headed towards Dunoon. That used to be served by a direct town centre to town centre vehicular service. It meant that Western Ferries was diverting traffic away from its natural routes, which would be town centre to town centre.

Roy made the point that there would be costs involved in the Jura to Islay overland route. Those costs would be borne not by the private operator but by the public, in the form of taxation or in journey times across land. I would also marry that with the points that Alf and Roy have made. I take the point that the existing ferry service that is run by CalMac is not efficient and that there are more efficient opportunities available, but the solution is to make the public service crossings to Jura and Islay more efficient, along the lines that they have suggested, rather than to replace the existing public service crossings with short crossings. That would mean that we would not need—

Jackie Dunbar: How would we integrate that with the bus and rail services on the mainland so that folk could continue their journey without having to use their cars?

Professor Kay: Western Ferries, for example, offloads its traffic at two terminals. There is a bus terminal on the south side and no terminal on the north side. Gourock town centre has a rail service, but the Western Ferries service does not connect with that. In general, short crossings tend not to connect with public transport. You may have to create the public transport or make it more suitable but, in general, short crossings are not designed for public transport, because the existing public services—CalMac's offerings—tend to connect with town centres, where there are public transport alternatives.

Roy Pedersen: There is a frequent passenger ferry between Gourock and Dunoon, which provides a town centre to town centre service. All over the Norwegian coast, there are fast passenger ferries—we are talking about speeds of 35 knots—running from regional centres with multiple port calls, rather like the old Clyde steamer services. Those modern ships have a crew of three, so they are very efficient.

The Deputy Convener: I must interrupt, as we have another panel session to come. Your points have been well made.

Jackie, do you have anything else to ask?

Jackie Dunbar: Do I have time for one more question?

The Deputy Convener: If it is a brief question to which we get brief answers, that would be helpful.

Jackie Dunbar: In the evening evidence session, we also heard that islanders and people

in remote rural communities found it difficult to get travel if they had a medical appointment or a last-minute appointment and needed to get to the mainland. How do you think that that can be prioritised and last-minute access given to rural and island communities?

Roy Pedersen: It can be done in two ways. One way is through increased frequency. That provides increased capacity, which should reduce that problem. For example, in Denmark, spaces are reserved for emergency use, so although all the tickets for a ferry might have been sold, there are still a few places available at the last minute for medical purposes, funerals or whatever else may arise. There are ways of doing it.

Jackie Dunbar: Thank you.

The Deputy Convener: Thank you very much. I know that far more can be said about these issues, and I am sure that you would like to discuss them further, but we very much appreciate you coming in and sharing your expertise with us.

I suspend the meeting to allow for a changeover of witnesses.

10:52

Meeting suspended.

10:59

On resuming—

The Deputy Convener: We will now hear from our second panel today as part of our inquiry into a modern and sustainable ferry service for Scotland. On behalf of the committee, I am pleased to welcome representatives of CalMac's ferries community board. The board was established by CalMac in 2016. It is comprised of ferry users from across Scotland's west coast and has responsibility for inputting into the ferry operator's asset management and operational decision making.

Joining us in the room are Angus Campbell, chair of the board and representative for the CalMac ferry service network, and Angus Duncan Campbell, board member for the Isle of Cumbrae. Joining us remotely, we have Kirsty MacFarlane, board member for the Isle of Coll. Thank you very much for accepting our invitation; we are delighted to have you here. We have around 75 minutes for this session.

I will open by asking the chair to briefly outline the remit and role of the ferries community board and explain how members are appointed.

11:00

Angus Campbell (Ferries Community Board):

The role of the ferries community board came about through the most recent contract, which stated that the operator should set up a board to bring the views of communities to the table on a network-wide basis. We no longer have "CalMac" in our title, and that is quite deliberate. We have evolved a bit as a board, and we have found that we talk as much to Government, Transport Scotland and CMAL about the issues that concern communities as we do to CalMac as the operator, so we are now an independent ferries community board.

At the moment, we have 15 members across the network, but the number can vary over time. Members are recruited through public advert and interview, and we are doing some more of that next month. The principles that we look for are people's ability to represent the views of their community and get into how their community works but, more importantly, their ability to take a network or strategic viewpoint on how ferries should work, and to work cohesively to try to improve ferry services. That is the main core of what we try to do. It is not so much about dealing with route-specific stuff; it is about bringing the issues to the strategic level and trying to get common issues and problems rectified.

The Deputy Convener: Thank you. It is important to point out that distinction. From now on, we will refer to you as the independent ferries community board.

Monica Lennon: Good morning to the panel. How does the community board gather the views of ferry users, and how are they conveyed to CalMac? I will come to the chair first.

Angus Campbell: The purpose of the individual board members is to gather information from their areas. We ask prospective members to demonstrate that they have that reach into their communities and can bring forward those views. Outside that, many of our community board members are also members of community organisations. They are likely to be on community councils, transport forums and various committees. Many of them are involved with third sector and other organisations that can feed into that process.

We started with a remit to have meetings every six months. We meet every quarter, but we also meet online in between those meetings, probably about once a month on average. We also have sub-groups that work on certain elements. For example, we have a group working on customer services, a group working on the development of the vessel replacement and deployment plan and a group working on the small vessel replacement

programme. There is also the Islands (Scotland) Act 2018 monitoring group where, through the board, I feed into that and back down again.

That is an outline. Within that, there is a lot of individual work and variance from community to community.

Monica Lennon: It sounds like a lot of activity and hard work is going on. Thinking about all the activities, do you consider that the community board has been a success? What would you pick out as some of the highlights and major achievements?

Angus Campbell: It took a while for the board to find its purpose. That was due to the concept being designed by someone from above and just planting it into the system. It has taken us a while to find out what works best for communities, but I believe that we have influenced quite a lot of things that have come through the system. There is an awful lot more that we would like to influence and an awful lot more that we would like to see the community voice affecting, from things such as school transport to fares and getting resilience meetings on particular failures of the system. We have put an awful lot of work into feeding into the islands connectivity plan. It is crucial that we broaden the scope of such plans to take in the more social and economic aspects.

Because we try to be constructive and strategic, we maybe do not get across well enough what we are doing, if you understand. We recently started an online presence on Facebook to help with that process. A lot of our members are well known in their communities, and that is what we rely on most.

Monica Lennon: It sounds as though those relationships are really important.

Angus Campbell: They are very important.

Monica Lennon: I am keen to give Kirsty MacFarlane and Angus Duncan Campbell the opportunity to speak. Kirsty, I will come to you.

The Deputy Convener: What do you want to ask her?

Monica Lennon: Can you respond to the same question, Kirsty, if you have anything that you want to add?

Kirsty MacFarlane (Ferries Community Board): Surely. I preface my remarks by thanking you all for the great opportunity of coming to you by video link. Had I not had that, I would have had to leave home yesterday and would not have been able to return until Thursday morning, weather permitting. On Coll, we have just five sailings a week, and the weather is pretty wild at the moment, so thank you all for this great opportunity.

The question was about how we communicate and liaise with CalMac. I am glad that that has been asked, because there is a huge variation in how that happens throughout the network. Perhaps the most closely linked and efficient way is out in the Western Isles, where the island statutory authority has a transport group that is very well versed on all the island needs and can communicate those needs regularly to organisations such as CalMac on behalf of all the islands in the network. At the level of very small islands, however, there might not be much communication with CalMac at all, beyond the interface between the customer and the operator of the ferry.

Since joining the board, I have been digging down into and trying to find out more about how we relate to CalMac. I was really quite astonished to find out that CalMac has only nine organisations on its list of statutory consultees. If, for example, it goes out to consultation on changes to its terms and conditions, which happened last year, it has to consult Western Isles Council, us—the board—and seven other groups. I find that astonishing, because we have a company that proudly says that it has been rooted in the area since the 1850s and has been nationalised since 1948. Given that we now live and work in a highly technological age, I thought that it would have links to absolutely every island community that it serves and that it would want to maintain those links and consult every community that it serves at every opportunity.

I am taking at face value what I have seen on the CalMac website. Of course, it will have links—perhaps unofficial and informal ones—with every community, and it will obviously have people working in every community. However, if we are not sure that we are capturing views from throughout the network and always go back to the same groups to get the same sort of answers, that has the potential to skew outcomes in one direction or another.

That is the kind of work that we are doing on the board. We are very strong on the idea that the community voice should be absolutely at the centre of decision making. CalMac could think about improving that.

Monica Lennon: You make an interesting point about who is on the list of statutory consultees. Clearly, you would like that list to be expanded. Can you give examples of the organisations that are missing and that you think should be on the list?

Kirsty MacFarlane: As I recall, on the list are the ferries community board, Western Isles Council, key players such as Islay, Arran and Campbeltown and the Sleat community forum on

Skye, which is an island with a bridge—forgive me, but I am struggling on the others.

I will give an example that is at the heart of what I am saying. We have a new area manager for the Argyll and Highland region who has been in post since last August. This is not a personal remark in any way, shape or form but a reflection of CalMac policy, but that person has been in post for five months and is yet to visit Coll, and I do not think that they have visited Tiree or Colonsay. Putting paperwork and familiarisation processes to one side, you would have thought that the first thing that CalMac's policy would ask all managers who are new to a post to do would be to go out and experience the ferries, go to the communities that they serve and find out what contacts they can make and what the intimate needs of those communities are.

That is clearly not a CalMac policy, in my experience, but it should be. I see no reason at all why CalMac cannot have timetables for much more frequent and regular scheduled meetings between, say, area managers and network managers and our communities.

Angus Duncan Campbell (Ferries Community Board): I have a couple of points. The important thing that the community board does is to try to put the community first. There are not really forums around the contract or the arrangements that represent community views. I live in Cumbrae. I am a member of the community council and I chair the ferry committee there so, in representing island views, I have quite a good network and feel for what is happening. I commuted off the island every day for many years.

That community view comes across through the board. As Angus Campbell said, the board was established under the most recent contract, but the question that you should ask is why you need a board. We have done a huge amount to influence, but the community should be consulted first and should not have to try to catch up with processes. The way that the contract is structured tends to concentrate CalMac more on interacting with Transport Scotland than with communities.

That is why the community board is trying to get that community voice. The important thing for us is that any development of ferry services and where they go has to put the community first and not the contract or shipbuilding. It is about putting communities first. What do they need? That is very much the voice that we have as a board. We are pushing for CalMac and CMAL to hear the community voice as an entity as opposed to in relation to individual routes. However, there are a lot of challenges in the fact that the ferry service is not set up to consult well with the communities that it serves. Those are some of the challenges that have come out of that.

Angus Campbell: I will follow up quickly on that. One of our biggest challenges is that many of the communities served by ferries have consultation fatigue, because they have been through the system of trying to feed in to affect things and make things better, not just for themselves but for the operation, and have seen no result. When we talk to communities about getting them out, they say, "Well, we've done this so many times, and it's been ignored."

That goes back to some of the issues that were talked about in the previous session. Whether the issue is the choice of vessel, the choice of route or whatever, it has to be the community voice that designs that. It has to start with the community and build up, and part of our challenge is to motivate that voice to become loud again.

11:15

Monica Lennon: I was going to ask about how we improve and increase community representation but, clearly, developing trust and confidence is important if people are to be willing to give their time.

I am looking at the convener, and I probably do not have a lot of time left for questions. Is there any more that you would like the Scottish Government to do to support the community board and effective communication? Do you want to say anything about that?

Angus Campbell: Yes. I think that we could be supported a lot better. The fact that we, as a group, have chosen to move away from the operator, if you like, and establish that space has left us a little lacking in support. Going forward, one of the crucial things for us is that the community voice is heard but not just at route-specific or island-specific level. That is very important. We recognise that one size does not fit all and that each community and each island should be able to choose the best outcome for them.

There is also a huge space where we have been fighting to get the community voice heard. I do not think that enough respect is given to the fact that we can design services by taking in the community voice at the beginning of the process so that we come out with the right answers at the end. I am sure that we can all give examples of where that could be done. Our work has made a change to that, but there is still a long way to go.

Monica Lennon: We are aware of your petition to the Parliament. There is probably not a lot of time left, but can you briefly say how you think that could be best achieved?

Angus Campbell: I submitted the petition to Parliament as an individual, working with others

from across the islands. It says that knowledge of island life and the experience of living on an island should be considered a necessary skill for boards, among all the other skill sets that you naturally look for. We were glad to see that, for the most recent CMAL board appointment, for instance, that skill was included. I think that a process is going on for the David MacBrayne board that includes that in the list of skills that are looked for. We argue that it should be embedded in legislation that, for island matters, island experience and island knowledge are absolutely essential.

The Deputy Convener: I will ask briefly about the socioeconomic report that was produced on the impact of ferry services. What is the ferries community board doing to take forward those findings?

Angus Campbell: The socioeconomic report was an attempt to build up evidence to back up the crucial role that ferries play in their communities over and above taking people from A to B. It was also to show their relevance to the wider socioeconomic benefit of the islands and the socioeconomic benefit of the country, including why it is good for the country as a whole to invest in ferry services and what they bring. We are not there for the sake of the ferry services. We are there for what they enable to happen, and that can be for individuals, equality, access to services or businesses, or to provide jobs or help with population issues.

A crucial point is that, through Government, there might be lots of different initiatives going on to help those individual things, but, if you speak to islanders, you find that they need connectivity and the ability to join. I remember speaking to a transport minister with a young audience in a school on Benbecula. Ninety per cent of the class were leaving the island on completion of school, and we asked, "What would make you stay?" One chap stood up and said, "I want to be a crofter like my father, but I also want to do what young people do in the rest of the country. I want to be able to go to Parkhead on a Saturday. I want to go to a concert when I want to. I want to go and visit family. I don't want to feel trapped on the island." Islanders have that fundamental right, and that is why, when we look at all the different legs that make islands work, it is hugely important to acknowledge the crucial role that ferries and connectivity play. That was the basis of what the study sought to do, rather than just to list the value of the cargo that was carried or the number of people who worked. It was that bigger piece.

The Deputy Convener: We have heard from young people as part of the inquiry. We are very keen, as a committee, to make sure that the young people whom you have just described, their aspirations and their needs are as much part and

parcel of the inquiry as the more commercial aspects that, as you said, tend to get more of a focus.

Mark Ruskell: I want to ask specifically about the community board's involvement in project Neptune. What was your involvement in it? How did you find the process? What are your expectations for your involvement in the future?

Angus Campbell: Probably the only interaction that we had on the project was that I gave evidence to Ernst & Young when it was doing the study. Our next real involvement was when we heard that the study was being published in, I think, September. The Minister for Transport indicated that she was keen to hear a community voice on what the structure should look like, what did not work well at the moment, what could work better and what the aspirations of the communities were for how they interrelate with the people who manage their ferry services. She asked whether I could lead the work for that part of the study and use the context of the community board to help to set up the consultation process. We started that recently and we are in the process of going out around the islands. We will cover the whole network and spend time in the islands. We are determined, as a board, that it will not be a tick-box exercise, because we have been on the receiving end of that approach. I hope that we can do it in a slightly different way. Time will tell.

Mark Ruskell: When do you anticipate finishing that piece of work?

Angus Campbell: The aim is to finish travelling around by the end of March. I have been asked to produce some sort of document a month later. I am not a specialist in such things—I am a volunteer—so I hope that that will be a feasible timeframe.

Mark Ruskell: That is great. The committee will obviously be very interested in seeing the results. Does Angus Duncan Campbell or Kirsty MacFarlane want to come in?

Angus Duncan Campbell: I will make a couple of socioeconomic points. The importance of the wider impact on the communities is not particularly felt in any of the decision making at the moment. Basically, CalMac has a timetable, and, if the timetable is disrupted, it just says, "That is something that we are either measured against or not". The consequences for the communities are not in any way in its remit or in any of its discussions with Transport Scotland. It is really important to put the communities and the socioeconomic impact on them first.

As Angus said, we are involved in discussions with our communities on what people think about project Neptune. One of the key elements that we really want from any change that comes out of

project Neptune is that the community voice and accountability to the communities should be put first. At the moment, the operator's focus is this: "There is the timetable. If it's not on the timetable, I'm not doing it. If you want anything else, you have to talk to Transport Scotland". That just seems wrong, because it does not put community needs first.

There is a lot of community frustration about some of the things that CMAL does. You gathered a lot of different opinions in the earlier evidence session about how well CMAL builds ships and ports. There are some frustrations in Cumbrae about some of the decisions that it wants to make about rebuilding slipways and how weather resilient those will be.

The community board is all about putting the community voice first. Whatever structures come out of project Neptune, they must put community needs first, as opposed to people having an attitude of, "There's a timetable, whether you like it or not. There's a capacity. There's a boat, whether you like it or not". That is where the frustration in the communities is at the moment. We want to put community needs first. What service does the community need? How many sailings a day do you need? What capacity do you need? What aspirations do you have to grow your community and grow the economics of your community? Those are the discussions that should have been had first, instead of people saying, "There's your timetable, and there are your boats".

Kirsty MacFarlane: Angus Campbell, the chairman, was asked back in September by the Minister for Transport to lead the consultation on project Neptune and to go out to our communities to gather views. I think that we are all delighted about that. We recognise that that is an awful lot of work for Angus Campbell, but, going back to one of my original points, I am really excited about it. Angus Campbell is determined to go everywhere if he can. It will be a great opportunity for smaller island communities in particular to have their needs addressed.

The socioeconomic report was mentioned. It is so difficult to conceptualise and put a monetary figure on, for example, the aspirations of young people, which Angus Campbell touched on. Many of us in the islands live with a form of constant anxiety, particularly in the winter months, because of the unreliable services. How do you put a figure on that? How do you quantify it? It is very difficult. I am sure that we will hear about issues such as that during Angus Campbell's consultation. He also mentioned that there is consultation fatigue out there. A number of our communities are saying, "Well, we don't actually want to be this deeply involved in talking about, thinking about and framing our ferry services. That should just be

efficiently happening in the background". We are very conscious of the fact that the matter has become a bigger part of our lives in the past few years.

Angus Campbell asked why we, as a community board, are here at all if things are running smoothly. Having said that, we all welcome the opportunity to express our community needs, but it is worth bearing in mind that we are all, I think, looking to the point when it will come to an end and be resolved, and this level of community engagement will surely scale back. It is fairly intense at the moment, and it has been quite intense. I think that that has led to a feeling of fatigue. We are all hopeful that we are finally getting things together. Let us just hope that we all pull together and get a good solution out of it all.

Mark Ruskell: Thanks very much for that insight. Another issue that has been raised with us is the prioritisation of island residents for booking and boarding, particularly if they have an urgent or last-minute need to access a ferry. Have you, as a community board, engaged with CalMac on that? If so, what has been its response?

11:30

Angus Campbell: There are several elements to that, and it is important that we do not take a simplistic view. The board's position is that different islands have different answers, because there are pluses and minuses to taking such an approach, depending on how it is implemented. It is one of those instances in which we have said that we respect the views of different islanders.

I make the point strongly that I often feel that the reason that we look at how we tweak demand or prioritise one part of the customer base over the other is the poor state in which our services have ended up. People are very frustrated and angry that they cannot get the services that people on the mainland can get, so they try to find ways of differentiating how priority can be got into the system. Kirsty MacFarlane can speak for Coll, where the islanders are quite keen on having a place where space is reserved for islanders. The importance of jobs, the economy and the ability of young people to get back and forwards is also part of that. My preference is to deal with the root of the problem, which is that we do not have a ferry service that is fit for purpose, and to increase the service's resilience and frequency and provide a service that meets islanders' needs. As I said, with what we are dealing with at the moment, you can understand why people want to be sure that they can have vital services and get away when they have to.

Mark Ruskell: Before I move on to the other witnesses, will you reflect on road equivalent

tariff? You will have heard the previous panel's comments, particularly those from Roy Pedersen. Is there a case for reform?

Angus Campbell: It varies from island to island. I come from Lewis, where, 25 years ago, I campaigned for a process similar to RET. We have to remember that, 25 years ago, the tourism industry in the Western Isles was almost non-existent, but it is now a significant part of our economy. If we are to get businesses to locate on the islands and provide jobs and futures for people, we have to provide a ferry service that meets those needs. It is therefore not a simplistic situation.

We sometimes forget about the poorest in our society. As I mentioned in my submission, it is a real challenge for a young family. I will give the example of Stornoway, because that is my own place. It is a real challenge for a young family to pay between £800 and £1,000 to fly to Glasgow. As a family, their only choice, therefore, is to take the car, so we have to be careful that the benefits of RET are not systemised out of whatever we do. As a board, our view is that there might be space for having individual conversations on that in order to get what suits, but those other aspects also have to be taken into consideration.

I get concerned about the fact that there is a feeling that islanders do not deserve public money for transport services. We have as much right to it as anybody has for any service anywhere in Scotland. I must say that I got a bit agitated sitting there hearing that we should go for the lowest common denominator and that subsidies are totally bad. We have a duty to look after all parts of our society, and we do that in other ways. I compare the situation with under-22 travel on buses. We feel strongly that that right should apply to young people on our islands, too.

I am sorry if I went a bit beyond the scope of what you asked me.

Mark Ruskell: That was useful.

Kirsty MacFarlane: On the issue of priority for island residents, as Angus Campbell indicated, a number of islands are interested in going down that route. In fact, just last week, we were contacted by Transport Scotland, which is, I think, committed to running a pilot scheme outside of Oban this summer. Coll and Tiree might be involved in that. We are delighted that the door has not been closed on the idea, which perhaps arose in the first place because, from our point of view, there does not seem to be much flexibility in the CalMac booking system. You say to yourself, "Why should it be so difficult to build into a system the fact that you live on an island and have a desire to travel? Can you not be treated in a

slightly different way?" However, that is perhaps a policy decision rather than a practical one.

We should point out that CalMac provides fairly limited means by which island residents can get a form of priority if they need to travel; the criteria are quite restricted. A number of islands, particularly those in the central part of the network, have very low populations, quite infrequent ferry services and very—[Inaudible.]—on our islands. For example, if I want to go for a haircut, go to the bank or take my car to the garage, I have to leave the island, but those ordinary, everyday, mundane things are not on the list of criteria. That is where the problem arises. As Angus Campbell said, islands in the network have different views on the matter, and the great thing is that we appear to be at the point of having a pilot scheme this summer.

I support, and will add to, what Angus Campbell said about RET. If there is a sense of disappointment in some islands, it is because RET has not really brought down the cost of living, as we all hoped it would. It has certainly increased the number of travellers, which has been a real boost to certain sectors of the economy. However, for some communities, the cost of food and fuel has not really shifted because of RET, which has been a great disappointment. We probably all remember that RET was originally going to apply to hauliers, but that plan was withdrawn. I apologise for not really being able to speak with any knowledge on that, but it might be worth having another look at whether there is some way to broaden the scope of RET in order to tackle the cost of living through that mechanism.

Mark Ruskell: Angus Duncan Campbell, do you have anything to add to those comments from your colleagues?

Angus Duncan Campbell: I have a couple of points to add. There are mixed views about prioritisation for residents—there are mixed views on the island that I come from as to whether it would be beneficial. However, fundamentally, why would we need prioritisation for residents if we had capacity that met the island's needs in relation to both residents and tourism? The issue is being considered in a way that misses the strategic point: if priority for residents is needed, there is not the right capacity to meet the community's aspirations to grow the visitor population and the island's economy. We should think about that.

The isle of Cumbrae was the only island where costs went up when RET was introduced, because the discounted fares that we had were matched, and a small amount on top of that was added. From the residents' point of view, the multi-journey tickets that we could buy were at the price that RET was set at, with a wee bit added to it, so residents have lost out from RET.

The current system also encourages tourists to bring their cars as opposed to just themselves, so now, on a sunny day in Largs and Cumbrae, hundreds of cars queue on either side to get on and off the island. We absolutely welcome the visitors, because we are Scotland's most accessible island, but, in relation to the ratio of passenger journeys to residents, 690,000 passenger journeys are made to Cumbrae, which has a population of 1,100 people—the number of journeys is almost seven times the number of residents. We need people to come to the island and spend money in the shops, but, if they bring their cars with them, that raises carbon issues and we are not encouraging the right things. In relation to RET, issues such as peak pricing need to be considered carefully. We want the visitors and do not want to drive them away, but we want a better balance that encourages visitors to come to enjoy the island via accessible travel, with them not necessarily bringing their cars.

It is really difficult to raise those strategic issues, because CalMac just says, "It's not us. We don't do strategic stuff. You need to speak to Transport Scotland," but there is no ready route into Transport Scotland to have strategic discussions without going through a convoluted process. There is no community voice in discussions about what a community needs to grow its aspirations to be a low-carbon island with fewer cars but more visitors. Where is the forum for that?

That is just one example. Residents on every island will have similar ideas about how to grow the island's community and economy, address depopulation and encourage visitors. For most islands, the depopulation figure between census periods is 10 per cent, and ferry capacity and weather resilience are key issues that play into that.

Mark Ruskell: That was very useful.

The Deputy Convener: Those are very important points that we are taking a keen interest in.

I will wind back a bit and ask the chair about input into the islands connectivity plan. We expect the plan to be broad and to cover some of the areas that Angus Duncan Campbell has just talked about. I am interested in the timescale. You are undertaking an extensive consultation across different communities. I do not want to put you on the spot by asking when it will be finished, but can you give us a rough idea of the timescale for completion? Are you confident that it will be done in time to properly influence the islands connectivity plan? My reason for asking is that we have heard that Transport Scotland might already be beginning the process of consulting on the long-term plan for vessels and ports, before consulting on community need.

I am trying to get a snapshot of your expectations and what you think is happening. Are we right to be concerned about what we have heard?

Angus Campbell: Yes, probably. I spent yesterday putting the community board's feedback into the long-term plan for vessels and ports. Again, we emphasised the points that we have made about which comes first and what leads the process. It is crucial that there be more recognition of some of the softer things that we talked about that help socioeconomic, equality and social issues. I do not know when what we said in the consultation will be made public, but we emphasised the need for that recognition. The issue then is how that is worked into the plans, and we have concerns about that.

I have committed to feeding in anything on the islands connectivity plan as we go through the process. The community board has been working diligently with some of the officers on feeding into that. I still think that there is space for more community voices in the shaping of it, and I am a wee bit concerned that that process has been delayed and delayed, so we are hitting timetables. We need to leave room for those things to happen. Anything that comes out of the consultations that I am doing, including anything relating to the long-term plan, will be fed back. I made that personal commitment.

11:45

The Deputy Convener: You do that on a continuous basis?

Angus Campbell: Yes.

The Deputy Convener: Got you.

Liam Kerr has a number of questions.

Liam Kerr: Good morning, panel. I would like to take on the question that you have just been asked while picking up on something that several witnesses have mentioned to do with service design and provision. You may have heard earlier that services could be designed differently. Perhaps the vessels or the harbours could have a different specification. Does the community board have any input to decisions on those things? If so, are its suggestions being taken on?

Angus Campbell: We have input as a board. We have a standing item at each board meeting with CMAL and Transport Scotland. We have separate sessions, although we had a combined session a couple of weeks ago, because it is quite difficult to always talk to individual parts.

We are not satisfied that we get the full results of that, or that we have the influence that we would like. We seek that not for our sake as a

board, but to ensure that the community voice is heard. We hope that we are increasing not just the routes to getting heard, but the effectiveness of what comes back into the system so that the necessary changes will happen on such issues as the type of vessels that are used.

It is very easy for people to say, "We can drop to a lower level of service and just provide the basics." That would undoubtedly save some money in the system, but I ask the question again: is it not for the communities to decide what they need on vessels? They might decide that they do not need a huge catering facility on a vessel. However, such matters should be decided not from the outside, but according to the needs of the community.

The community needs to make assessments of the islands connectivity plan—I am sorry; I forgot to mention that—and the long-term vessel and port infrastructure plan. They have to become much more effective than they have been. We have to truly find out what the community impacts are and then react to that information.

I am concerned about taking the simplistic approach of saying, "There should just be a basic service from A to B." I remember chairing the discussion about the Seaforth in the town hall on Lewis and hearing what everybody wanted. There were two options. There was a slide that said, "You could have two boats, each virtually the size of the MV Isle of Lewis" and a slide that said, "You could have a big vessel." However, the next 37 slides were all about the big vessel, so the first question that I asked, before I opened up the meeting for questions from the floor, was, "What's happened to the options?"

Another thing that was missing from that discussion was the final cost. They ended up having to put, I think, an extra £28 million into the infrastructure. The final cost of the bigger vessel was more than the original costing for two smaller vessels due to that unaccounted-for cost. There were supposed to be four trips per day, but it only did three, and they removed a freight ferry so, for £78 million of public money, we got a lesser service.

It is very important that we take on board the community's views on what it needs and what will work there. We should build up from that and then let the experts come in and tell us what kind of ships and infrastructure can meet that need. I am sorry if I have gone on a little bit.

Liam Kerr: That is all very helpful.

Angus Duncan Campbell, you made some comments earlier on exactly that point. Is your community telling CMAL what vessels and services are needed? If so, are CMAL and CalMac listening and responding?

Angus Duncan Campbell: There is a lot of frustration in communities about the sequence of these things. Are we doing things in the right order under the islands connectivity plan? Is the community needs assessment up front? The overall view is that it is not where it needs to be. However, efforts are being made to change that and, as a community board, we want to support them.

At a local level, we think that there are opportunities to change the approach, but there is no route to that. CMAL will come along and say, "That slipway's getting to the end of its life and we want to replace it." We will say, "Right. What are you going to do to make it better? We want better reliability, improved capacity and improved visitor experience, because we are dealing with 700,000 people a year." CMAL says, "We're not doing anything on weather resilience." We say, "But surely it's getting stormier." It says, "Yes, but we're only doing resilience works to stop it falling down."

We are in the midst of a debate, but we have nowhere to take it other than to the transport minister. CMAL says, "That's what you're getting." There is no route to take the matter through a forum and consider whether the slipway that it is going to build will be the right thing for the community for the next 60 years.

There are two key aspects for us as a community. The first is winter reliability. The ferry was off this morning. If I had come from the island this morning, I would not have been here in time. I decided to come last night. There are weather warnings out today for Oban and northwards. It is a horrible windy day, but it is not epic from a Scottish point of view. However, the ferry was off for the first two runs this morning. Where is the design? There is no remit for anyone in CMAL to build with a better, weather-resilient design to deal with global warming. The Cumbrae slipway is another example. It was built in 1972 for a six-car landing craft. That is a huge frustration.

The second aspect is that we are one of the low-carbon islands and encouraging visitors is key to us and our population. We are heavily reliant on day trippers, so we need to be accessible, but at the moment the balance between visitors and cars is quite not right. We would like to change that, but it will require more strategic thinking. We have some thoughts about that, but there is no forum to take them to. CalMac says, "We just do the contract, which says how many runs you get a day, Angus. If you want to change that, it's a matter for Transport Scotland." CMAL says, "We just build boats."

Where is the forum that is needed? The intent of the islands connectivity plan is to bring that about, but there is a bit more work to be done to make that come alive and allow communities to say that

they want to grow, be they in Coll, Tiree or Cumbrae. How can people grow their community and bring social and economic benefits? How can we grow particular parts of the economy such as Islay's whisky and gin, Cumbrae's day trippers or Arran's overnight visitors? All of that needs to be considered.

How can we put those community needs first and build the capacity for the type of businesses that we want, whether they involve visitors, distilling or day trippers? How can we put that first and then build into that model something that is suitable for the west of Scotland weather, which is getting worse? There are some views that the operator is becoming more risk averse. It is difficult to say whether that is the case, but we can see from the case studies that there is no aspiration to build more weather-resilient services.

Liam Kerr: I am grateful for that answer. I might come back to you in a moment on exactly that point.

Kirsty, we have heard Angus Duncan Campbell talk about weather resilience, and I note your comments at the beginning of this evidence session about the challenges that you would have faced had you attended in person today. The committee has heard suggestions that CalMac is becoming more reluctant to sail in adverse weather. Do you think that that is happening? In any event, does CalMac listen to representations from the community board about sailing in adverse conditions?

Kirsty MacFarlane: As Angus Duncan Campbell has just said, that is very much our experience. When we want the timetable to change or we would like a replacement for a service that has been lost because of weather, for example, those things are just not forthcoming.

We have the impression that, over the years, CalMac has become more averse to risk taking. However, to be fair to CalMac, it is not as simple as it would appear to be. The weather problem has been compounded by the fact that the vessels are becoming older. There is natural wear and tear, and damage can occur.

I suspect that, at the moment, there is a pretty frantic feeling among senior managers that, if one other ship came out of the network with damage, it would have a terrible knock-on effect. They inevitably have to take all the factors into account. In this sector, for example, we are beginning to have ferries cancelled because of a bit of fog or because there is not enough daylight, which was absolutely unheard of 20 years ago.

I will tell a wee story that relates to that. The minister announced sometime last year, I think, that she would expand digital weather monitoring systems to include third-party ports in order to

reduce the incidence of cancellations and so on. I discovered from CMAL that, on Coll pier, we have very good lights and closed-circuit television cameras that skippers can access remotely to see conditions around the pier. CMAL confirmed that it had installed them and that they were funded by Transport Scotland, but when I asked Robbie Drummond of CalMac at one of our board meetings why the ferries cannot come in if it is a little dark, he told me that they do not use the equipment because it costs money. He asked where the money is going to come from to use the camera equipment.

That seems extraordinary. That is a small example of something that was funded by Transport Scotland and installed by CMAL but that is not being used by CalMac. Is Transport Scotland checking with CMAL that everything is okay? Is CMAL then checking with CalMac how often the equipment is being used, whether it is effective and whether there is anything else that needs to be done? If the equipment is not used and there is not a smooth working relationship between the three bodies, the end result is a reduced service for islanders.

As Angus Campbell said, all the issues to do with what communities need and want need to be resolved, but the timing seems to be slipping. The extension to the CalMac contract will come to an end in 2024. We should not underestimate how major a job it is to go round our communities, find out what their needs are and get some coherent responses and then actions. That is not a simple job. CalMac does not have a simple job, because the Hebridean islands and the Clyde islands are very different places. We are asking it to listen to communities and take on board what we all say, but we appreciate that this is not simple. I have just given a wee illustration, which goes right down to the basic level, of where the problems occur.

As I said earlier, we are delighted that Angus Campbell has been asked to lead the consultation with our communities.

I apologise, convener. I should say that I mixed up project Neptune and the islands connectivity plan. I am slightly new to the board and I got that wrong. However, the sooner we push on, the better. We look forward to improving the situation.

Liam Kerr: I am grateful.

Before I hand back to the convener, I have a final question for Angus Duncan Campbell. Angus, as you rightly brought this up, do you have anything to say on the weather resilience piece and whether CalMac is becoming more risk averse, particularly having heard the useful answer that Kirsty MacFarlane has just given?

Angus Duncan Campbell: It is difficult to say whether CalMac is becoming more risk averse.

The masters are personally liable. The master is responsible for his ship and needs to manage it safely. At the same time, however, if CalMac is not designing things to be more effective, particularly in relation to docking, which is probably the hardest bit, we are a bit frustrated by that.

12:00

I note that the contract key performance indicators exclude weather. I do not know whether that is a factor. We would like the overall experience of the communities to be reflected in any future contract with an incentive to put their needs first, as opposed to having lots of exclusions.

Whether it drives behaviour or not is difficult to say but, ultimately, the master is responsible. Robbie Drummond would say that it is not his call but the master's.

Having the right vessels that are suitable for the communities and having the right timetable that suits the community's aspirations and deals with the Scottish weather in both summer and winter are key underpinning priorities. There is a lot more work to do to make sure that services line up with each community's expectations. I am not saying that every vessel should be different but, at the same time, it is essential to think a bit more about what the communities need.

Jackie Dunbar: Good afternoon, panel, and thank you for coming along today. I will put my first question to the chair. Is the community board content with how CalMac accommodates and meets the needs of disabled travellers? Has that been discussed?

Angus Campbell: That has been discussed. The organisation for disabled travellers is part of project Neptune, but we have talked to it as well. I am sure that all of us deal with disabled passengers with certain issues. That is why it is crucial that, when we design ships, for instance, we do not just make the simplistic thing but instead allow for how any sort of disadvantage will be dealt with on a crossing. Equality of access is very important. As board members, we all get that.

How you get the answer varies from place to place and according to the type of disability. For instance, one of the last things that I did was to create a quiet space on the ferry where youngsters with problems can sit when their parents cannot have them out in a broader place because it would agitate them and make a two-and-a-half-hour crossing seem much longer and much more difficult. You make a plea for something to be there but, of course, a quiet room takes up space on a ferry. That is the sort of thing that we should be building into our thinking.

I was over in Cumbrae doing a day of consultation on Saturday. I heard someone who is partially sighted talk about walking up a slipway to get on to a ferry with the sea beside her. The lady said that she sometimes got help and sometimes did not. She ended up walking into the sea on one occasion. There is a need for that to be on the priority list and to get consistency into how we deal with that. I hope that that helps.

Jackie Dunbar: What CalMac's approach to that like? Is it happy to engage? "Happy" is probably the wrong word to use, but does it engage with the board and take concerns forward?

Angus Campbell: It does, and, in some places, it has come up with very good answers. That is why I said that it is not always consistent. A much more rigorous approach would be appreciated so that whatever the answer is does not happen on just the next sailing out but is there the next time and the time after that.

Jackie Dunbar: I will finish with an open question to the three of you, and I will start with Kirsty MacFarlane this time, to give the chair a little bit of breathing space. Are there any issues that we have not covered today that you think the committee should consider as part of the inquiry? If there are, why do you think that they are important?

Kirsty MacFarlane: I am a teacher, and what I say to my pupils is, "Would you like thinking time?"

Jackie Dunbar: Sorry—I have perhaps put you on the spot.

Kirsty MacFarlane: Could you repeat the question?

Jackie Dunbar: I wanted to find out whether there is anything that we have not covered today that you think we should consider in the inquiry.

Convener, I have perhaps put people on the spot with that question. Would it be okay for them to get back to us?

The Deputy Convener: We want to make sure that you have had the opportunity to say what you want to the inquiry. If there is anything that you want to share with us that you have not shared to date, this is an opportunity for you to do so.

Kirsty MacFarlane: I am not saying that this is accurate; if CalMac were here, it could perhaps correct me. What we have been talking about and focusing on, and certainly what the board tends to discuss, relates to what we call the major vessels in the fleet, of which there are 11, or 10, if you leave out the smaller monohull that serves the Small Isles. Most of the time, the problems occur with the major fleet, and a lot of the media coverage has been on that. It is true that that is

where the bulk of our focus as a board goes. We tend to overlook the fact that there is also a small vessel fleet out there. They are little workhorses. Although a lot of the major vessels will be cancelled today, a lot of the smaller vessels may be cancelled for one or two sailings, as Angus Duncan Campbell said, but then will get up and go. They are very resilient. I am familiar with a number of the routes, and they are crewed by fantastic people. There are some good-news stories and, as a society or as island communities, we perhaps do not give credit where credit is due or recognise that some things, on the surface, appear to be working okay. The problem is with the major vessel fleet, and it certainly affects us here.

I will round up by focusing on CalMac's latest annual report, which come out last year and which was circulated to the board. Given everything that we have gone through as islands and as a country, what is in the report is unhelpful, if not misleading. It is upbeat, but that is not because it is going to independent shareholders. The only shareholder, really, is the Scottish Government, but the upbeat tone—it says that the contractual reliability was 98.8 per cent last year—does not reflect the experience of a lot of users of the major vessel fleet. That figure is probably artificially inflated by the number of successful sailings that are carried out by the smaller ships. CalMac could perhaps separate the two sets of data and at least acknowledge that there have been profound difficulties with reliability.

The other thing that sticks out in the annual report is that customer satisfaction with the service remained high at 85 per cent. If you were to take a straw poll in our communities, you would not get such a high figure. You would possibly get that figure if most of your respondents were visitors, and it is good to see that level of satisfaction. Again, however, I do not think that that figure honestly reflects the kind of communities that we represent.

As a starting point for moving forward and, we hope, fixing things, there needs to be an acknowledgement from CalMac, or perhaps it needs to change its tune. It is the one organisation with which we really have contact. It is the interface between us and services improving. I hope that this is not taken as a really negative ending from me, but those kinds of comments from it cannot possibly be the starting point for us. There has to be an acknowledgement from CalMac that things are not quite as rosy in the garden as it would portray them.

The Deputy Convener: I am conscious of the time, so perhaps we can bring this session to a close. Angus Duncan Campbell, you may want to reply to Jackie Dunbar's open questions and add

anything else that you want, and we will then finish with the chair.

Angus Duncan Campbell: The key point for me is to put the needs of individual communities first, and that is what the community board is all about. There has to be something significantly different about the way in which the contracts are structured and about the relationship with TS and CalMac in order to put the communities first, as opposed to taking a top-down approach, which is what has been the case to date.

Angus Campbell: Thank you for the opportunity to do this, convener.

Kirsty MacFarlane makes an important point. When there is so much upset, loss of service and things going wrong, we sometimes forget the good things that there have been. There are lots of good people working in these services. There is lots of movement that is perhaps not happening as quickly as we would like it to, but there is movement in the right direction, and we should acknowledge that.

We spoke about having a voice on the board of certain organisations. Equally important to the communities, however, is the dispersal of some of the decision making, and the jobs that go with that, to our island communities. There is no reason why management should be distant from the place. The best experience is to be had, and the most-informed decision making happens, when management go through the process themselves, through living on an island and experiencing what it means to do so. They will know what the other answers may be.

One thing that we have to break from is having an operator being told just to do a timetable. That results in no recognition of need or of what the service should be. It stops flexibility and the ability to say, "If we can't sail there, why can't we set sail this way or that way, or do so at a different time, and still meet the needs of the community?"

As we move to the next plan, I get concerned that it may just be a case of fiddling around the edges of the existing one and the next contract. It is therefore important that we use the time wisely to shape the new plan and make real change.

I am going to show you a graph. You may not be able to see it, and I hope that you do not mind my showing you. One of our members on Arran, Bill Calderwood, is very much a statistics man, and he makes graphs and records everything. He produced this when I was on Arran last week. It shows the satisfaction level with the service and with meeting the contract as running at 90-odd per cent, as you can see.

The Deputy Convener: Not when I do not have my long-distance glasses on. [*Laughter.*] If you can leave that with us, that will be helpful.

Angus Campbell: Okay. The simple point to make is that we see actual delivery of service down at 64 per cent. That is what communities know and feel. They are in the community all the time, yet they see this glossy reporting that things are up at that percentage. That does not drive change, nor does it drive improvement. We have to get levers that do that into the mix for the next contract.

The Deputy Convener: Thank you very much. If you can leave that with us as part of our evidence, that will be very helpful.

You are giving us challenges as well, because you are taking forward the community voice to inform the islands connectivity plan. We, as your Parliament and as the committee that is responsible for transport, want to make sure that a light is shone on that area so that it can be fundamentally different. Hopefully, between us, taking things from different angles, we can shape the islands connectivity plan. We very much appreciate the work that you have done to date as volunteers.

We recognise that the community board is made up of volunteers and that you have an important task and responsibility. To do that work as volunteers is something that, naturally, we should recognise, so thank you very much for what you are doing.

Kirsty, thank you for joining us. Angus Duncan Campbell, I hope that you get back at some point—we can hear the howls of the wind outside. Thank you very much for taking part and sharing your views. That concludes the public part of our meeting. We now go into private session.

12:15

Meeting continued in private until 12:36.

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