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Edward Mountain MSP
Convenor
Net Zero, Energy and Transport Committee
Scottish Parliament

By email

28 August 2023

Dear Convenor

I am writing in response to the Committee's report "A Modern and Sustainable Ferry Service for Scotland" published on 26 June 2023. I am responding on behalf of Scottish Ministers given Fiona Hyslop's previous role as deputy convenor during the majority of the Committee's inquiry, though not for the final sign-off of the report. However, as Minister for Transport, she will continue to lead on the implementation of many of the actions that will follow from the Committee's report.

I would like, firstly, to thank the Committee for this welcome report – not only is it timely but it is considered, balanced and forward-looking. I intend this response to be in the same vein. Within the agreed timescales for Government responses to Committee reports, it has not been possible to specify in full detail the actions that will be taken in response to each of the Committee's 74 recommendations. Many of the recommendations mirror actions already being undertaken or under consideration in relation to a number of areas of ferries policy and project development. As such, Scottish Ministers are content to take forward the majority of the recommendations though a number will require further careful consideration before confirming our response.

Many of the actions to respond to the Committee's recommendations will be taken forward through three initiatives to secure improvements to ferry services: structural and governance reform (following Project Neptune), the next Clyde and Hebrides Ferry Services Contract (CHFS3) and the Islands Connectivity Plan (ICP) which also provides an umbrella for our ongoing vessel and port investment programme and links to our cross-modal Fair Fares Review. This response is, therefore, structured around those 3 key projects but also incorporates the Committee report's sub-headings and points to each recommendation for ease of reference.

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I would like to note, and endorse, the report's headline requests of the Scottish Government as set out at the top of the Executive Summary:

- We will set out our vision and strategic thinking for ferry services to all ferry-dependent communities through the strategic paper that will form a key element of the Islands Connectivity Plan, which we aim to publish later this year;
- We are establishing the governance and delivery structures capable of delivering this vision, principally through Project Neptune and CHFS3;
- We are continuing to commit record resources to ferries – in the current financial year, the budget for Support for Ferries rose to £251 million and the Vessels and Piers budget to £189 million – noting that the fulfilment of our long-term plan is dependent on funding allocation decisions which go beyond the current Parliament.;
- We are committed to working in collaboration with ferry-dependent communities.

How should taxpayer supported ferry services be run (Project Neptune)?

I note that the Committee has not reached a conclusion on changes to the current tripartite structure that were considered by Project Neptune (recommendations 11 and 15). The principles identified by the Committee (recommendation 12) are a helpful contribution to our future work. Ministers will continue to consider options, taking into account the feedback from communities gathered by Angus Campbell which has now been published¹ (recommendation 23), and will give consideration to a CMAL-TS merger (recommendation 16). This work will also take account of the Committee's proposal for increased regulation and oversight (recommendation 57) although, on this last point, I am not convinced that adding a further layer of bureaucracy such as a commissioner or regulator is aligned with our broader objectives of simplifying the delivery of ferry services in Scotland. The Minister for Transport will report back to Parliament later in the year and keep Members informed at key stages.

Work to assess the legal implications of options for structural reform is continuing to take place alongside the consideration of those options. The lawfulness of a merger cannot be properly assessed in the abstract or at a high level. This is a matter that can only be meaningfully considered in the context of detailed proposed reforms and with a clear understanding of the policy and delivery objectives being pursued by those reforms (recommendation 17).

I fully agree that it is important to hear from a wide range of voices (recommendation 13), and Ministers and Transport Scotland officials regularly engage with a range of users and stakeholders. As the Committee will know from its inquiry, there are a range of opinions on ferry issues and not a consensus. The next CHFS3 contract and our further work on Project Neptune are opportunities to develop our approach to this, and to strengthen community involvement in particular.

There are no plans at present to take forward work to convene an international expert group (recommendation 14) as adding another formal structure would run contrary to clear desire

¹ [Project Neptune: Communities Report on Future Management of Ferries | Transport Scotland](#)

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from communities for simplified and clear decision making processes. However, Ministers and officials will continue to seek a wide range of advice to inform future ferries policy. An example of this was the engagements undertaken, as part of the initial Project Neptune work, with international ferry operators and Government counterparts

The next contract for Clyde and Hebrides Ferry Services (CHFS3)

I welcome the Committee's support (recommendation 18) for the Scottish Government's position that there will be no unbundling of services in the next CHFS contract. As noted by the Committee, the primary reason behind this decision is the greater resilience provided by maintaining the integrity of our ferry routes as one network. As highlighted in the Committee's report, one network allows vessels and staff resources to be shared across many routes – both in terms of periods of disruption and during the winter dry dock period. I note the Committee's belief that these benefits are not being delivered and can assure you that, in preparation for the new contract, development work is being undertaken to review service resilience and on vessel maintenance and redeployment, with the aim of bringing improvements to each of these areas.

I note the Committee's support for making a direct award of the CHFS3 contract, if island communities appear to support this procurement route (recommendations 21, 22 and 29). The operational contract will be secured in accordance with all relevant legal provisions, including subsidy control and procurement legislation. I can confirm Transport Scotland Officials are currently considering legal, financial and commercial aspects regarding the most appropriate procurement route for continuity of the CHFS services, including the potential to direct award to CalMac using application of a Teckal procurement exemption which will be needed if a direct award is the procurement route taken, and will announce the preferred procurement option once that exercise has been concluded to ensure continuity of services once a decision is made.

The Communities Report on Future Management of Ferries delivered by the Chair of the Ferries Community Board recommended that the operator function should continue to go out to tender; though I appreciate that the Committee's recommendation preceded the publication of Angus Campbell's report.

I also note the Committee's proposal for a 10-year CHFS3 contract (recommendation 28) and can confirm that contract duration is currently being considered as part of the project.

I agree with the Committee's conclusion (recommendation 29) that if a 10-year contract was directly awarded to CalMac then it would need to deliver real improvements in ferry services. Regardless of which procurement route is ultimately chosen, officials will incorporate lessons learned from previous contracts, in conjunction with major policy improvements, to ensure that the new contract delivers enhanced service levels, customer experience and value for money.

A dedicated team has been set up to deliver the next CHFS contract (recommendation 24), and, as is standard practice for projects of this nature, includes the use of external specialist legal advisors, and commercial and technical advisors to support the project.

The following reports are being interrogated and their recommendations incorporated into the new policy requirements for the new CHFS3 contract as appropriate:

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- Audit Scotland reports (Transport Scotland's ferry services - Impact report & New vessels for the Clyde and Hebrides)
- Rural Economy and Connectivity Committee's report on Construction and Procurement of Ferry Vessels in Scotland
- Public Audit Committee's report on New Vessels for the Clyde and Hebrides
- The Net Zero, Energy and Transport Committee report this response is for
- Project Neptune Communities Report on Future Management of Ferries.

The contract development process is also considering how the operator can engage most effectively with local authorities and communities on service design and delivery, including feedback on service levels and timetabling (recommendations 19, 27, 64 and 66). Transport Scotland will work with the CHFS operator and communities to gather, analyse, and action data that supports affordable and deliverable changes to timetables. I recognise and welcome the contributions made by ferry committees and their equivalents across the network and although, as the Committee would expect given the need for communities to have a space to determine what is right for them, there is a limit to Scottish Government "mandating" the creation, role, structure or membership of these, CalMac has been supporting the ferry committees through regular engagement and encouraging the adoption of a standardised term of reference.

Contract development work on passenger experience and satisfaction is also being undertaken in relation to CHFS3 which will include capturing and analysing data to evidence improvements (recommendation 26).

In addition, the CHFS3 contract development will explore how best to continue engagement with the Ferries Community Board, to ensure that the views of island and remote communities continue to be represented (recommendation 65), noting that the current Board already has regular and structured access to TS, CalMac and CMAL and has had, both collectively and through its Chair, regular meetings with successive Ministers since its creation. The location and provision of an operator's headquarters, and office estate, will also be considered as part of the CHFS3 contract development (recommendation 63).

Islands Connectivity Plan

I agree with the Committee that the Islands Connectivity Plan (ICP) is an opportunity for fresh thinking about the provision of ferry services (recommendation 1). The ICP will replace the Ferries Plan but be broader in scope, taking into account aviation, ferries and fixed links, and onward and connecting travel. The various elements of the ICP noted by the Committee are being developed in parallel to ensure that there is coherence between them. It will be integrated with other Scottish Government policies: primarily the National Transport Strategy 2 and the National Islands Plan. The Minister for Transport is the "champion" of island transport connectivity within Government (recommendation 9) and is bringing the benefits of her role on the Committee and it is worth noting that Transport is also part of my Cabinet position and that island communities are also represented at Cabinet by the Cabinet Secretary for Rural Affairs, Land Reform and Islands.

The Islands (Scotland) Act 2018 requires a review of our National Islands Plan within 5 years of initial publication and that a consultation must take place as part of this review; that

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consultation was launched on 18 July 2023². Whether the current National Islands Plan is revised or a new National Islands Plan is developed, this provides the opportunity to ensure that there is a strong alignment between the Islands Connectivity Plan and the National Islands Plan.

The overarching ICP Strategic Paper is being developed so it can be applied to all domestic ferry services while respecting the autonomy of local authorities to develop their own standards and their accountability to local electorates for the design and delivery of ferry services for which they are responsible. I note the Committee's recommendation for the development and implementation of "a minimum standard for consistent delivery across the country" (recommendation 70). As part of the ICP, officials are reviewing the methodology for the assessment of community needs on the CHFS and NIFS networks; local authorities and others who are responsible for the design and operation of their own services, will be able, but not required, to use the same methodology when considering their own services. These assessments will also form part of our consideration of the value for money of options for ferry services and, in the longer-term, fixed link proposals (see below), which will recognise benefits of ferry services that cannot easily be quantified or monetised (recommendation 25). Community needs assessments also provide the opportunity for considering future options for the number and size of vessels (recommendation 37).

What are the root causes of problems with the Clyde and Hebrides ferry services?

I note the Committee's conclusions on the reliability of ferry services and the impacts this has on communities (recommendations 7 and 8). These conclusions reflect the feedback Ministers and officials have received from users and communities. This is why the draft Long-Term Plan for Vessels and Ports sets improved reliability and resilience as its priority objective, to be achieved in part by a significant modernisation of the fleet and port infrastructure as well as by improved interoperability and standardisation, through vessel and port design and through the introduction of a "resilience vessel" to the CalMac major vessel fleet.

I agree with the Committee that to support improvements in reliability and resilience, which is our priority, accurate data is needed so that investment can be targeted and the most effective use made of funding that will continue to be under pressure, following cuts to our capital budget from the UK Government. The then Minister for Transport, Jenny Gilruth MSP, set out to the Committee in her oral evidence on 28 February 2023 that new Key Performance Indicators (KPIs) were being developed which go beyond the measures applied to the ferry operators through the CHFS and NIFS contracts – and so capture a wider range of essential activity and better reflect the lived experience of users and communities (recommendation 6). Officials have been working with key stakeholders to develop draft vision and priorities for ferry services and to identify practical options for delivering these which will, following public consultation, provide the basis for these KPIs. Improving contractual KPIs and performance management is also being reviewed for the new Clyde and Hebrides ferry services contract. The published draft of the Long Term Plan for Vessels and Ports (see below) proposes a new KPI for the average age of the fleet and sets out initial ideas on what other KPIs could cover; noting paragraphs 235-236 of the Committee's report I am content to add community and customer satisfaction (recommendation 26).

² [National Islands Plan review: consultation - Scottish Government - Citizen Space](#)

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Understanding and measuring the problem – recording reliability

I note the Committee's comments on contractual performance measures (recommendations 2, 3, 4 and 10); the next CHFS3 contract provides an opportunity to introduce improvements and I am keen to explore the potential for improving the generation, collection, analysis and publication of performance data to support strategic and operational decision-making by all parties. Once the approach to data gathering has been confirmed, the approach can be shared with local authorities (recommendation 5).

Ferry services for the future – reasonable fares

I note with interest the Committee's recommendation that ferry fares, including freight fares, should be considered in the wider context of public support to island businesses including the provision of freight capacity and the extent to which profitable businesses should be reliant on public support via subsidised ferry freight fares. These issues are being considered through the Fair Fares Review, the ICP and the National Islands Plan (recommendations 49 and 50) in collaboration with key partners and business representatives. I recognise the importance of building confidence in our island businesses and supporting inclusive, sustainable economic development and growth. .

The Government continues to deliver affordable ferry fares for all passengers through £25 million per year investment in Road Equivalent Tarrif (RET), with under 16s travelling for half fare and under 5s for free, and in the short-term through fares freezes on CHFS and NIFS services to support users during the cost of living crisis. I am committed to giving our young people the very best chances to succeed in life. Young people rightly challenge us to invest in a sustainable future for them and free bus travel for all under 22s, including islanders, will help to deliver that (recommendation 56). The Scottish Government published an Island Communities Impact Assessment on 14 December 2021 which concluded that ferry travel should not be included in the Concessionary Travel Scheme for under 22s, but that issues relating to ferry fares should be considered as part of the Islands Connectivity Plan and the Fair Fares Review, which are underway.

Through the Fair Fares Review, officials are undertaking a review of ferry fares that will take into account the results of the evaluations of the roll-out of RET, the last of which was published in 2021³ (recommendation 55). This will be able to consider the impact of fares on capacity and demand – noting for example that demand for vehicle deck space has risen faster than passenger numbers – and the impacts this can have on island infrastructure and on the estimated costs of seeking to meet forecast increases in vehicle demand through increased vessel sizes and/or sailing frequencies; and how those costs can be shared between users, taxpayers and businesses.

Ferry services fit for the future – integrated transport

Alongside this, the ICP also provides the opportunity to consider the prospective limits to using repeated increases in vessel frequencies and/or capacities to accommodate increased vehicle traffic demand, given island, port and hinterland constraints in a number of locations and at certain times of the year. Officials are exploring how to improve onward and connecting travel primarily to enhance travel opportunities for those without a car, or who prefer to travel without one, but with the potential to also offer improved alternatives for some

³ [Evaluation of Road Equivalent Tariff on the Clyde and Hebridean Network | Transport Scotland](#)

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end-to-end private vehicle journeys in support of our climate change target, and as part of this can consider the Committee’s proposal around electric vehicle hire opportunities, to help reduce transport emissions from cars, (recommendation 52). This will include follow-up to the STPR2 recommendation 18 “Supporting integrated journeys at ferry terminals”. Planning for how this STPR2 recommendation is taken forward is currently being considered as part of the development of the STPR2 Delivery Plan, which the Scottish Government intend to publish later this year (recommendation 51).

Modern, economical and sustainable ferries – investment in ferries and infrastructure

I note the Committee’s recommendations for a long-term approach to vessel replacement and standardisation (recommendations 32 and 35) and note that these issues are covered in our draft Long-Term Plan for Vessels and Ports⁴. Transport Scotland plans to publish a revised draft for public consultation later this year that will provide a breakdown of current projects and their progress including an update against progress of the Infrastructure Investment Plan published in February 2021 and the Ferries Plan; the final version will include funding commitments and anticipated project budgets (recommendations 30 and 31). I welcome the Committee’s recognition of the work CMAL is doing through the Small Vessels Replacement Programme (recommendation 36).

Modern, economical and sustainable ferries – procurement and design of vessels

I agree with the Committee’s views on meaningful engagement on vessel projects (recommendation 38). Engagement with community representatives on vessel projects is undertaken by CMAL – for example for the new vessels for Islay. This includes engagement with representatives of disabled passengers (recommendation 54) including the Mobility and Access Committee for Scotland (MACS). Officials will give further consideration to an “audit of accessibility” in the context of the ICP and CHFS3 (recommendation 53).

The Committee sought an update on engagement with disabled passengers in the design of new vessels, including in the Small Vessel Replacement Programme (recommendation 54). Officials from Transport Scotland and CMAL met with a representative from the MACS on 7 February to discuss, in great detail, the vessel design and advise of the accessible items that the design has. The feedback was overwhelmingly positive and MACS is supportive of the proposed design.

In terms of passenger facilities, the passenger accommodation will be to a high standard, in line with other recent new vessels in the Clyde and Hebrides Ferry Service fleet. The proposed new vessels will have a modern passenger lounge and external sun deck area. The passenger areas will align with best practice and legislative equality and accessibility guidance. The vessels will include the following: accessible toilet, clear external passageway / pavement on vehicle deck, adjustable height tables and dedicated wheelchair space in the passenger lounge, sliding doors to the passenger lounge, double height handrail on staircases, coloured nosing’s on staircases for visually impaired passengers and a portable induction loop system. These matters will also be considered in due course for new Northern Isles Ferry Service vessels including in regard to overnight passenger accommodation. Transport Scotland, CMAL and ferry operators will continue to engage with disabled travellers and their representatives to ensure that their needs are identified and addressed.

⁴ [Draft for consultation - Long-Term plan for vessels and ports on the Clyde & Hebrides and Northern Isles networks \(2023 – 2045\) - Islands Connectivity Plan | Transport Scotland](#)

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The Committee requested quarterly updates on the 4 New Islay Class Vessels being built by Cemre Marin Endustri A.S in Turkey (recommendation 40). CMAL are the contracting authority for these vessels and has confirmed that it is content to provide quarterly updates. CMAL is also working to establish the level of detail that can be provided in a quarterly report to be produced that will maximise the information provided without impacting on any contractual position. Officials will update the Committee in due course. However, it should be noted that CMAL regularly maintain project pages on their websites on the current build progress of the four vessels.

I can confirm that work on the four vessels is progressing well. The steel cutting ceremony of NB1100 and keel laying ceremony of NB1093, which the committee will know marks the start of the construction of the vessel, took place on 24 May 2023. The main generators for NB1092 have been delivered to the shipyard, which is another milestone event for the project. By early September 2023, all blocks for NB1092 are planned to be on the slipway with the launch scheduled to take place in December 2023. The planned delivery dates for the vessels to CMAL are October 2024 and February 2025, respectively, in line with the original delivery schedules agreed at contract award. The vessels will then have to be delivered from Turkey and undergo crew familiarisation and local operational trials before entering into service.

I note the Committee's observations in recommendation 33 and in paragraphs 271-272 of its report concerning advice on hull form. CMAL, CalMac and Transport Scotland are neutral on hull form and officials will discuss this recommendation further with CMAL and CalMac. I agree with the Committee that CalMac's charter of the MV Alfred enables the operator to assess the performance of this type of vessel on its deployed routes (recommendation 34).

Transport Scotland continue work with CMAL, service operators, and other key stakeholders to consider the most appropriate approaches to development, procurement and delivery of the various vessel and infrastructure projects currently underway. On new vessels projects, CMAL employ robust procurement review processes informed by specialist advisors where necessary. Transport Scotland officials will continue to evaluate outcomes, lessons learned, and consider internal and external reviews where appropriate (recommendation 39).

Modern, economical and sustainable ferries – sustainable ferries

I do not agree that the Low Carbon Plan is being treated as an "add-on" to the ICP but note the Committee's concern that this could be a risk (recommendation 42). The published draft Long-Term Plan for Vessels and Ports sets out our initial thinking and a draft Low Carbon Plan is currently being developed.

I look forward to the UK Government's new Clean Maritime Plan, anticipated during 2023, and to practical proposals on the achievement of the 2025 goal for all new vessels ordered for use in UK waters to be designed with zero emission propulsion capability (recommendation 41). Officials will consider, with CMAL and the ferry operators, the adoption of this objective for the CMAL fleet as part of our Low Carbon Plan for Ferries and following the operational, commercial and financial implications. Where possible, CMAL will consider design options that allow future developments in technology to be taken into account (such as battery capacity on the Islay Class Vessels).

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Modern, economical and sustainable ferries – sustainable ferries – fuel source

The use of LNG on the ferries will undoubtedly improve air quality emissions in the areas in which they are operating. Currently the only LNG-receiving terminal which has the facility to fill road tankers is situated at the Grain LNG Terminal in Kent, which is where the LNG used for bunkering vessels will come from. The Isle of Grain facility for road tanker filling has been in use for over 30 years supplying the off-grid gas networks of the UK with LNG, of which Scotland has four - at Wick, Oban, Thurso and Campbeltown - all of which are supplied by road tankers. The fuel is not coming long international distances specifically for use on the CalMac ships, as use on ferries is tapping into an already existing and essential market (recommendations 43 and 44).

Modern, economical and sustainable ferries – sustainable ferries – investment and incentives for innovation

I note the Committee's recommendation concerning the Net Zero Investor Panel (recommendation 46). The Panel was established following a commitment in the National Strategy for Economic Transformation (March 2022) and will conclude by late Summer 2023. The Panel's primary focus is on attracting capital investment to the physical infrastructure required for a just transition. The Panel will not provide specific advice on the decarbonisation of ferries, however, Transport Scotland and CMAL will be cognisant of the Panel recommendations.

Modern, economical and sustainable ferries – ports and harbours

The historic mixed ownership of ports used by CHFS and NIFS services can present additional challenges when it comes to the timing and funding of major port works, particularly where those works are the responsibility of owners other than CMAL. Partnership working with third party ports is well underway for example through infrastructure project steering groups which include the statutory harbour authorities. An example of this is the inclusion of the Uig and Lochmaddy projects (ports owned by The Highland Council and Comhairle nan Eilean Siar respectively) as part of the Little Minch Infrastructure Programme which aims to ensure that the port infrastructure being delivered supports the vessels and are standardised and future proofed as far as possible (recommendation 47).

I note the Committee's recommendations around facilitating access to public ports by private shipping operators (recommendations 20 and 48). I can reassure the Committee that such access is already enabled by the Open Port duty set out in the Port Marine Safety Code which stipulates that the port provides safe access and navigation for all those who may choose to enter while the port is open. If specific concerns have been raised with the Committee regarding access to any public ports serving the CHFS and NIFS networks then it would be most helpful if this information could be passed to Transport Scotland to look into further.

A service shaped by ferry communities

Aspects of the delivery of ferry service where engagement is vital can be summarised as operational matters, policy development and projects. Operational matters are primarily

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matters for the operators themselves and as noted above in the 'The next contract for Clyde and Hebrides Ferry Services (CHFS3)' section officials are examining in detail how this can be improved in the new CHFS contract (recommendations 19, 27, 64 and 66). Policy development requires an appropriate approach for the policy in question, for example I recognise the comments from the Committee (recommendation 1, bullet 6) about the need to ensure that the Islands Connectivity Plan is based on consultation with representatives of ferry dependent communities and our strategy for engagement will reflect that.

The engagement strategy, the Committee notes as highlighted to Rural Economy and Connectivity Committee, was in respect to the third aspect, that of projects. This work has now be integrated into the draft Long Term Plan for Vessels and Ports, and can be found in paragraph 30 of that document:

“30. For projects led by CMAL, at the initiation of each project the CMAL project manager will agree with Transport Scotland and the relevant operator, and publish, a communications and engagement plan which will follow a consistent pattern, typically:

- A series of public events (in-person and/or on-line) at key stages of the project or programme to inform and seek views.*
- A “reference group” of key stakeholders for more detailed consultation and engagement on the development of the project or programme.*
- A dedicated project page on the CMAL website to host updates and information.*
- A log of all stakeholder comments and how these have been responded to.*
- A report detailing all communications and engagement undertaken during the project, including “lessons learned” for other and future projects.”*

This strategy was deployed in the development of the new vessels for Islay and, as noted above, was well received by the community and is being used for projects going forward. The planned consultation on the draft Long Term Plan for Vessels and Ports officials plan includes a specific question on this engagement strategy and that strategy will be revised as appropriate.

The Scottish Government values the benefits of having different experience and points of view on Boards of public bodies and encourage applications from people living within island communities; this will include the forthcoming recruitment round for one non-executive director of the Board of David MacBrayne Limited (DML). The appointment information sets out clearly the skills required for each post and clarifies that the required skills and experience can be gained in a variety of ways, including on a personal level (recommendation 59). As the Committee is aware, CalMac Ferries Ltd is a subsidiary of DML and, as such, its board is appointed by the DML board rather than by Ministers. For DML and CMAL, it is for each selection panel to agree the necessary skills and experience for each appointment round. More information is contained in guidance on Scottish Government regulated appointments⁵.

In relation to future DML and CMAL board appointments, officials will continue to address island representation by:

- advertising positions widely, including on the CalMac vessels travelling to and from our island communities, and also doing so in Gaelic;

⁵ [Public appointments: guide - gov.scot \(www.gov.scot\)](http://www.gov.scot)

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- letters are issued to local Councils, Committee and Stakeholder groups asking them to highlight the recruitment opportunities within their island or remote community;
- having an understanding of island life is always a key criterion for all (CMAL/DML) board roles. This is fully explored and assessed throughout the recruitment process.

Further consideration will be given on how best to address the Committee's view on 'upskilling' of potential applicants from island communities (recommendation 60).

I note the Committee's recommendation seeking consideration of Trade Union representation on the Board (recommendations 61 and 62) and can confirm that Transport Scotland is currently exploring this further, taking into consideration the model adopted by ScotRail in 2022. I recognise the benefits of having different experience and points of view on the boards of public bodies and am fully committed to continuing to attract diverse and well-functioning boards. I am keen to continue to encourage potential candidates who have a desire and the necessary knowledge and skills to become a member of our boards.

The then Minister for Transport, Jenny Gilruth, and the Cabinet Secretary for Rural Affairs, Land Reform and Islands jointly committed to re-establishing the Islands Transport Forum (ITF) to allow the Scottish Government to proactively support island resilience and take a more strategic, collaborative approach to improving the economic, social, and cultural development of islands. It was agreed that the ITF would meet as part of the existing Islands Strategic Group (ISG) and would be chaired by the Minister for Transport. ISG members have supported this proposal for the re-established ITF which will meet formally for the first time when the ISG next meets this autumn (recommendation 67).

Council-run ferry services

I agree with the Committee's support for the principle of council-run ferry services (recommendations 68 and 70). I recognise the challenge for local authorities that have responsibility for ferries and the Government has provided more than £136 million over the last 5 years to support the running of these services. The former Deputy First Minister committed to continue fully funding the operation of local authority ferries in 2023-24.

I am also aware of the growing need for local authorities to replace ageing ferry fleets and infrastructure and, whilst responsibility for funding replacement infrastructure does remain wholly with the councils, Ministers are committed to continuing engagement. Further work, initiated by the former Deputy First Minister, is ongoing to support both Shetland and Orkney Islands Councils in developing their fleet replacement plans, recognising the challenges these islands face. I note the Committee's conclusion regarding the Corran Ferry service (recommendation 72). This service, including the maintenance of vessels and the procurement of replacements, is the sole responsibility of The Highland Council and work with the Council continues on long-term, resilient solutions, primarily through collaboration between CMAL and the Council on vessel replacement and shoreside works through CMAL's Small Vessel Replacement Programme (recommendation 69). I note the comment from Orkney Islands Council regarding training for local authorities in green vessel procurement and officials can cover this in ongoing engagement with the Council (recommendation 45).

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The criteria for the transfer of responsibility for lifeline ferry services from local authorities to the Scottish Government remain as set out in the Ferries Plan but I note your view that changes made in the funding of local services since the publication of the Ferries Plan point towards a review of that commitment and criteria, (recommendation 71). While there is currently no resource or timescale for such a review, Ministers will keep this under review.

Fixed links

STPR2 considered a long-list of fixed link proposals (recommendation 73) and concluded with its recommendation 41⁶ regarding potential Sound of Harris/ Sound of Barra fixed links as well as another between Mull and the Scottish mainland. STPR2 did not consider the replacement of local ferry services by fixed links, as this was out of scope, given it is a matter for the local authorities who manage and operate these. Nevertheless, the Scottish Government jointly funded an earlier study by Shetland Islands Council into inter-island transport which considered a fixed link connection to Whalsay as part of the Shetland Inter-Islands Transport Study (SIITS) transport appraisal; this concluded that a fixed link option be rejected on the basis that the estimated cost significantly exceeds the expenses associated with on-going ferry services, even when considered over two ferry replacement cycles.

The next stage of work would be to develop the business cases further, to better understand the benefits, costs and challenges associated with these interventions. These studies would further consider the feasibility of improving island connectivity through additional fixed links replacing existing CHFS services and analyse the potential long-term savings associated with the public sector funding required to maintain the ferry services and involve input from communities that may potentially be affected. Planning for how this STPR2 recommendation is taken forward is currently being considered as part of the development of the STPR2 Delivery Plan, which the Scottish Government intend to publish later this year (recommendation 74).

Conclusion

I would like to thank the Committee again for its report and look forward to working together on providing the ferry services our island communities need.

MAIRI MCALLAN

⁶ [STPR2 Recommendation 41 | Transport Scotland](#).

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Net Zero, Energy and Transport Committee

A Modern and Sustainable Ferry Service for Scotland, 11th Report, 2023 (Session 6) – Summary of Scottish Government response

No	Recommendation	Response
1	<p>An Islands Connectivity Plan is an opportunity for fresh thinking about how ferries are run in Scotland and how the transport needs of islands and other ferry-dependent communities are met. It is also an opportunity to reset the damaged relationship between island communities and all those responsible for delivering public ferry services. If the Plan is to be successful—</p> <ul style="list-style-type: none">• It must be a truly comprehensive plan, covering all modes, or potential modes, of maritime transport that are an alternative to ferries, including air, bridges, causeways and tunnels, and connecting and onward travel;• It must also take account of the position and future needs of all ferry dependent communities, including those currently served by council runferries;• It should be integrated with other key Scottish Government policies, for instance the Climate Change Plan and the National Islands Plan;• It must cohere. While we understand the pragmatic reasons for consulting on separate "pieces" of the Plan, the final document must be a single integrated piece of work. To ensure this, there must be an opportunity for key stakeholders to comment on and propose changes to a final draft before publication;• Plan preparation needs to move at pace. It is important that island communities and other key stakeholders see that change is coming; to address the sense of drift and abandonment felt in some communities and to enable positive choices to be made about the future. Signs of delay in the consultation process for the Plan are concerning and the Committee asks for an update on timetabling from the Scottish Government;• It must, at the same time, be based on consultation with representatives of ferry-dependent communities, with their needs put at its core. They must have ample opportunity to express their views at	Accept

	<p>every major stage of the Plan's development. We ask the Scottish Government to provide more information on its engagement strategy for islands and other ferry-using communities;</p> <ul style="list-style-type: none"> • It should include specific and timetabled targets (for instance on fleet replacement) and outline a plan for achieving each major target; and • It should set out a system for its own monitoring and evaluation, including annual reports. 	
2	<p>Solving problems with our ferry services requires first being able to accurately measure them. Rebuilding public confidence in ferry services also starts with measuring performance in a clear way that inspires trust, even if the message the figures convey may at times make for uncomfortable reading. The Committee believes that current methods of gathering statistics on Scottish Government-funded services do not do either of these points fully and satisfactorily. CalMac's criteria for measuring reliability are opaque, poorly understood and apparently not widely trusted within ferry-using communities. NorthLink's publicly available figures on cancellations contain even less detail.</p>	Noted – see recommendation 3
3	<p>The Committee calls on the Scottish Government to undertake a comprehensive review of how data on the performance of CalMac and NorthLink services is gathered. This should take into account service users' own view of what issues should be recorded. Statistics must accurately reflect the actual experience of travellers. At the very least, the "actual performance" figure for cancellation or significant delay of services should be published alongside the "contractual reliability" figures cancellations in order to better reflect the customer experience.</p>	Accept
4	<p>Going further, statistics should ideally provide sufficient detail to allow government and service providers to assess the root causes of poor service provision, route-by-route, so that they are in a better position to fix them, as well as to get the more strategic "big picture" decisions right when these are called for. Statistics on cancellation or delay caused by cascading services (i.e. moving a vessel to cover a vessel loss elsewhere) should also be recorded on a route-by-route basis.</p>	See recommendation 3
5	<p>Whilst respecting the autonomy of local authorities, the Committee recommends the principles of data gathering are applied to all publicly funded</p>	Once the approach to data gathering has been

	ferry services.	confirmed, the approach can be shared with local authorities
6	The Committee welcomes undertakings from CalMac and Transport Scotland to, respectively, outsource customer satisfaction data-collection and develop new performance indicators. We call on the Scottish Government to ensure that new approaches are tested on user groups that include representatives of ferry-dependent communities and other regular ferry users.	Accept
7	Far too many ferry services in Scotland are unacceptably unreliable. This is causing real damage to communities, particularly those dependent on Clyde and Hebridean ferry services. For more fragile island communities, consistently unreliable services risk becoming a literal existential threat.	Noted
8	There is not one single root cause for unreliable ferry services but rather an interplay of factors. These include— <ul style="list-style-type: none"> • An ageing ferry fleet and a ferry replacement programme that, over several years, has been slow and plagued with delivery problems. This points to issues with funding, procurement, design and specification, to be explored further in the rest of this report. Efforts by CMAL to purchase or lease existing vessels abroad are not working and should not be relied upon; • A fleet operating practically at full capacity, meaning that where a vessel is out of action, problems cascade through the service; • An increase in usage without increased capacity; • An administrative set-up - the tripartite arrangement - that is unresponsive and not transparent, and which does not sufficiently incentivise optimal decision-taking or secure value for money. The tripartite arrangement is widely perceived as enabling a "pass the parcel" culture in which no one takes ultimate responsibility for the effective delivery of taxpayer-funded ferry services. 	Noted
9	The Committee is clear that this responsibility rests with the Scottish Government. It is our view that another factor contributing to	Noted

	<p>underperforming ferry services has been a lack of continuity in political leadership, with most recent transport ministers lasting no more than 18 months in the role. Ferry-dependent communities in Scotland need continuity and confidence at Ministerial level: they need a champion in Government with the knowledge, experience and staying power to push through the reforms and improvements the sector now urgently needs. This requires an end to churn in the Transport Minister role.</p>	
10	<p>We have already expressed disappointment at the lack of sufficiently robust statistics data on ferry performance and asked for the Scottish Government to address this. More data and analysis are required on—</p> <ul style="list-style-type: none"> • Weather: we need to understand better the impact of weather; for instance, whether there has been an objectively measurable increase in extreme weather, which has directly caused increased disruption, or whether other factors (for instance, ageing vessels) are leading to a more precautionary approach in response to bad weather. There is an important role for the Maritime and Coastguard Agency in this work and we recommend that the Scottish Government seek to work with them on this; and • Maintenance, servicing and repairs, for instance whether it is costing more or taking longer than previously, or whether there are differences in the way operators service and repair vessels that appear to lead to measurably different results. The overall aim should be to benchmark ferry maintenance standards and ensure best practice is being followed on all taxpayer-funded vessels on taxpayer-supported routes. 	Noted – see also recommendation 3
11	<p>There is widespread agreement that the current tripartite arrangement for managing Scottish Government-funded ferries is not working effectively for the Clyde and Hebrides and is not adequately serving ferry-dependent communities. Change is needed. No clear consensus has emerged from this inquiry as to what form it should take. Preparation of the Islands Connectivity Plan enables a continuation of the conversation, and the Scottish Government must ensure all ferry users - and especially ferry dependent communities - have the opportunity to participate in it.</p>	Noted and agree the recommendation on community participation.
12	<p>However, it is important to build and maintain momentum for change, in order to create confidence that we will soon have more reliable ferry services. The Scottish Government</p>	Noted – the principles identified by the

	<p>must set out a clear backstop for taking a decision on future arrangements. The Committee considers the following principles are foundational for any modern administrative structure delivering ferries and ferry services for Scotland: it must—</p> <ul style="list-style-type: none"> • Be truly accountable to ferry-dependent communities , to Government and Parliament; • Be transparent; • Be competent. It follows from this that where decisions taken reflect a lack of competence there should be consequences; • Seek and achieve value for money in all major decisions, especially on ferry procurement. Again, for there to be public confidence in the system, there should be consequences for failures to do so; • Be responsive to need, including local need. In practice, this should include having mechanisms to enable a degree of localised management; • Support the delivery of net zero. 	Committee are a helpful contribution to future work
13	The Committee believes Ministers and Transport Scotland must be guided by the best advice and expertise. In many circumstances this will come from CMAL and CalMac. However, where it requires an objective assessment of their performance and advice, other voices have a role to play.	Agree that it is important to hear from a wide range of voices
14	The Committee supports a formal structure for Transport Scotland to hear from impartial experts and recommends the Scottish Government provide a progress update on work towards convening an international expert group. This should include the remit of the group and the status of the advice it provides.	There are no plans at present to take forward work to convene an international expert group
15	Whilst Project Neptune recommended consideration of a CalMac-CMAL merger, there was a mixed response to this proposal during the inquiry and the Committee remains to be persuaded this outcome would be optimal. On its own, this change does not clearly deliver on the principles we have outlined. The Committee also observes that merging the vessel owner and ferry operator into a single organisation appears to cement CalMac Ferries' position as the provider of Clyde and Hebridean ferry services into the foreseeable future.	Noted

16	<p>The Committee recommends the Scottish Government should give consideration to a CMAL-Transport Scotland merger, to create a "Ferries Scotland" as an arm of Transport Scotland. This could streamline decision taking, improve understanding of ferry services, and the importance of ferry services, within Transport Scotland, and at least partly address concerns the current tripartite structure enables a blame-shifting culture. The Committee considers the obstacles to merger that Project Neptune identified - such as issues over transfer of pensions - can, with sufficient political will, be addressed. However, other changes would still be required - as discussed later in this report - to ensure that ferry users have a service that better embodies the principles outlined above.</p>	Accept – to give consideration to this option
17	<p>Finally, it is regrettable that discussion on future ferry services has, for the entire length of this inquiry, been hindered by uncertainty as to whether the tripartite arrangement is, in some form or another, still required for legal reasons. It is unclear to the Committee why the Scottish Government does not yet have this clarity. It is also regrettable this situation has continued while community consultation on the proposals of Project Neptune has been carried out. The Scottish Government must make it clear in its response to this report whether it considers it would be lawful to merge CMAL and CalMac or to bring the functions and expertise of CMAL within the purview or Transport Scotland</p>	<p>The lawfulness of a merger cannot be properly assessed in the abstract or at a high level. This is a matter that can only be meaningfully considered in the context of detailed proposed reforms and with a clear understanding of the policy and delivery objectives being pursued by those reforms.</p>
18	<p>The Committee accepts that the Scottish Government is likely to offer the next contract for Clyde and Hebrides Ferry Services as a single bundle. We acknowledge there are benefits to a single bundle. These include greater service resilience, economies of scale, the ability to maintain relief vessels and to redeploy staff and vessels to deal with periods of disruption. However it does not believe these are being delivered on the CHFS network by the parties to the tripartite arrangement and this needs to change. The Committee is content with the award as a single bundle on this occasion.</p>	<p>Welcome the Committee's support for the Scottish Government's position that there will be no unbundling of services in the next CHFS contract.</p>

19	<p>The Committee recommends the Scottish Government should use the opportunity of the next CHFS contract to include specific requirements for the operator to work with local authorities and communities on service delivery and decision making.</p>	<p>Accept – The CHFS3 contract development process is considering how the operator can engage most effectively with local authorities and communities on service design and delivery, including feedback on service levels and timetabling</p>
20	<p>The Committee recommends the Scottish Government should consider how to facilitate easy use by private companies of Scotland's public ports and harbour network to allow for demand-led additional services to be provided with ease, for example for freight, provided this does not threaten lifeline services.</p>	<p>Noted – such access is already enabled by the Open Port duty set out in the Port Marine Safety Code</p>
21	<p>The Committee understands the Scottish Government's preference is to make a direct award for Clyde and Hebrides Ferry Services and recognises the benefits of doing so. However, the Committee does not believe the position on whether this is possible is clear. The Committee asks the Scottish Government to clarify—</p> <ul style="list-style-type: none"> • The outcome of consultation by the Chair of the Ferries Community Board, and whether it indicates that communities served by the CHFS network would prefer a direct award; • Whether it considers it would be lawful to make a direct award and, if so, whether it will do so; • How it will ensure a direct award will deliver value, taking into account the savings in not running a tender exercise compared with the resource required to ensure an award is compliant, and how Transport Scotland will ensure a direct award will deliver value as recommended by Audit Scotland 	<p>Noted - Transport Scotland Officials are currently considering legal, financial and commercial aspects regarding the most appropriate procurement route for continuity of the CHFS services, including the potential to direct award to CalMac using application of a Teckal procurement exemption which will be needed if a direct award is the</p>

		procurement route taken, and will announce the preferred procurement option once that exercise has been concluded to ensure continuity of services once a decision is made.
22	The Committee believes that, if island communities appear to support making a direct award, and there is no legal barrier to it, then this should go ahead for the CHFS3 contract only. This would provide continuity of service and avoid disruption for communities in relation to a new contract that is now little over a year from starting. This does not mean "business as usual" for CalMac and should not set a precedent for future CHFS awards.	See recommendation 21
23	The Committee recommends the Scottish Government publish the outcome of the consultation of the Chair of the Ferries Community Board.	Accept and done. Project Neptune: Communities Report on Future Management of Ferries Transport Scotland
24	If it is to be tendered, the Committee recommends the Scottish Government provide details of how the process for tendering for the third Clyde and Hebrides Ferry Services contract (CHFS3) contract will learn the lessons outlined by Audit Scotland.	Accept – see main response
25	The Committee believes the Scottish Government must begin to collect and analyse meaningful data to ensure true value for money is being achieved from spend on ferry services (particularly around vessel specification and fixed link proposals). This includes the socio-economic factors highlighted by Audit Scotland and the Ferries Community Board in their reports, such as depopulation.	Accept
26	The Committee recommends Key Performance Indicators for the CHFS contract must include community and customer satisfaction rates and the gathering of this data must be done in a way which does not place additional burdens on communities.	Accept

27	The Committee recommends the Scottish Government design within the next CHFS contract a formal mechanism whereby communities could propose contract variation or service changes to either Transport Scotland and/or the operator.	See recommendation 19
28	At six and eight years, contracts for operating the Clyde and Hebrides and Northern Isles contracts seem short by international standards and less likely to reward investment and decision-taking oriented towards the long term. The Committee therefore agrees with Project Neptune that there would appear to be advantages in setting a longer contract, although this also depends on improved governance structures being put in place for their design, tendering and management. The Committee agrees the length of the contract should be longer and we propose 10 years.	Noted - contract duration is currently being considered as part of the project
29	We understand that these recommendations, if agreed to by the Scottish Government, carry a likely outcome of a 10-year direct award to CalMac. A direct award is a privilege and with it must come great responsibility for competent stewardship of Clyde and Hebridean ferry services during this period. Our recommendations on the next CHFS contract are therefore caveated on the Scottish Government, as the owners of CalMac, ensuring that it delivers real improvements for communities reliant on these services of the Clyde and Hebrides. This relies on the recommendations we make later on this report on improved services, and on responding to community need, to be accepted and delivered in the new contract.	Noted – see recommendation 21
30	The Committee strongly welcomes the Scottish Government's commitment, - in early consultation on the Islands Connectivity Plan, to reduce the average age of the fleet to 15 years. However, previous commitments on fleet renewal have not been met. We call on the Scottish Government to set out what concrete steps (including financial commitments) it will be taking, within this period of under seven years, to deliver the commitment.	Accept
31	The Committee recommends the Scottish Government provide a detailed breakdown of the projects within its Infrastructure Investment Plan and those outstanding from the Scottish Ferries Plan, and the anticipated budget required for these.	Accept
32	The Committee recommends the Islands Connectivity Plan contain long-term investment plans for a rolling programme of vessel renewal.	Accept
33	The Committee is not qualified to suggest one design of ship over another.	Noted

	However, it takes seriously the suggestions from experts their views have been overlooked. We highlight this as a further example of where decision making within the tripartite arrangement has not been transparent.	
34	While the Committee supports the Scottish Government's efforts to secure additional capacity at speed through leasing vessels, it recognises this is not a long-term solution. The Committee recommends the Scottish Government use the current opportunity of running a catamaran on some appropriate west coast routes to evaluate performance and establish whether this type of vessel, is suitable for general use on Scottish ferry routes.	Agree
35	The Committee has recommended the Scottish Government should establish a long-term approach to vessel replacement on a rolling basis to inspire confidence in ferry users. The Committee recommends standardisation of design will be essential to this in order to achieve best value and efficiency, both in the construction and resulting operation of the vessels. The Committee recommends the drive for standardisation must also include the fittings, fixtures and parts to achieve easy replacement as required.	Accept
36	The Committee recognises the role of small vessels, not least in their role to play in achieving net zero emissions targets give the technology for smaller vessels is more advanced. The work CMAL is doing on the Small Vessels Replacement Programme (SVRP) is a welcome step towards delivering a new generation of low emission small vessels for the Clyde and Hebrides fleet.	Noted
37	The Committee believes consideration should be given to whether routes currently served, or due to be served, by existing major vessels could be better provided by a higher number of smaller vessels.	Accept
38	The Committee has heard varying evidence on the specification of vessels in different circumstances, which emphasises the need for meaningful engagement with communities on their requirements. They are best placed to outline their needs. We include staff and crew in this.	Noted - agree with the Committee's views on meaningful engagement on vessel projects
39	The Committee has recommended the Scottish Government should consider the future of CMAL, both within the context of the Project Neptune proposal for merger with CalMac and on giving further consideration to assimilation within Transport Scotland. The status	Accept in principle - Transport Scotland officials will continue to evaluate outcomes,

	quo is unacceptable. In this context, an evaluation of the improvements made to procurement processes for vessels by CMAL should take place.	lessons learned, and consider internal and external reviews where appropriate
40	The Committee requests quarterly updates from the Scottish Government on progress towards the completion of the vessels being built by Cemre Marin Endustri A.S in Turkey.	Accept
41	The Committee recommends that the next Climate Change Plan and the Islands Connectivity Plan should mirror the commitment in the Clean Maritime Plan that by 2025 "All new vessels being ordered for use in UK waters are being designed with zero emission propulsion capability".	Accept in principle
42	The Scottish Government plan to develop the Islands Connectivity Plan in sections and the Low Carbon Plan will be the final aspect of the draft Islands Connectivity Plan to be considered. The Committee asks the Scottish Government to respond to its concerns that reduced carbon emissions risk being treated as an add-on rather than an integrated element of all aspects of the Plan, starting with the limited consultation process currently underway on ports and harbours.	Note the Committee's concern but do not agree that the Low Carbon Plan is being treated as an "add-on" to the ICP.
43	The Committee calls for a Scottish Government update on its efforts to "actively pursue opportunities to source liquefied natural gas (LNG) fuel supplies at locations within Scotland".	See recommendation 44
44	The Committee calls on the Scottish Government to provide details of the supply chain of liquefied natural gas (LNG) proposed for use once Hulls 801 and 802 are delivered, including work to source this locally. If it is not possible to source this locally, the Scottish Government should provide an assessment of the carbon savings achieved by transporting LNG on long over-land distances as compared to using diesel on the intended routes.	Noted – see main response
45	The Committee recommends the Scottish Government should consider how local authorities can be supported with sufficient resource and to develop skills in procurement of low and zero carbon vessels.	Noted - officials can cover this in ongoing engagement

46	The Committee looks forward to the recommendations of the Net Zero Investor Panel and recommends the Scottish Government consider where and how these recommendations can be best applied to support the decarbonisation of ferries	Noted - The Panel will not provide specific advice on the decarbonisation of ferries, however, Transport Scotland and CMAL will be cognisant of the Panel recommendations.
47	The Committee recommends the Scottish Government should through the Islands Connectivity Plan establish a plan to continue to identify ways in which it can support development and standardisation of ports and harbours. The public sector needs to work strategically in partnership with private and council-owned harbours to replicate the success of joined up installation of weather monitoring equipment for other aspects of harbour infrastructure, especially those supporting decarbonisation of vessels.	Accept in principle
48	The Committee recommends the Scottish Government should consider how it can influence ease of access to ports and harbours to support potential additional operators who may wish to provide services on top of the bundle.	Noted – such access is already enabled by the Open Port duty set out in the Port Marine Safety Code
49	The Committee has concerns about the impact a substandard ferry service has on the economic success of island and coastal communities, and has heard concerns about the jeopardy the ferry service creates for exploitation of the industries of the future in island and remote communities. The Committee considers the issue of fares for commercial and freight vehicles, as well as RET, is part of a larger conversation on support needed to facilitate successful businesses working on and delivering to island communities. This includes inspiring confidence by anticipating success and delivering a service with the capacity to accommodate economic growth. There are questions about the role of the Scottish Government and the point at which businesses making a profit should no longer be reliant on public subsidy. These issues must be considered in a joined up way through the National Islands Plan and the Islands Connectivity Plan.	Noted and agree in principle - these issues are being considered through the Fair Fares Review, the ICP and the National Islands Plan

50	The Committee recommends questions on freight, fares and economic growth in island communities should be considered comprehensively through the Islands Connectivity Plan to ensure strategic and coherent policies are developed.	See recommendation 49
51	The Committee recommends the Scottish Government provide details of the proposed review of transport integration at ferry terminals, including— <ul style="list-style-type: none"> • Remit and scope of the review; • Public engagement; • How modes of transport as set out in the Sustainable Transport Hierarchy will be prioritised in the review; and • Anticipated timescales for completion. 	Accept - Planning for how this STPR2 recommendation is taken forward is currently being considered as part of the development of the STPR2 Delivery Plan, which the Scottish Government is progressing.
52	The Committee is of the view the ICP should set out proposals for end-to-end journey opportunities for freight. End-to-end journey opportunities for passengers should include the use and promotion of electric vehicle hire which could be used by tourists, businesses and the health service for example.	Accept in principle
53	While welcoming the availability of funding for improvements to accessibility of Scotland's ferry fleet, the Committee recommends an audit of accessibility to identify priority areas for upgrade or systems of provision of further support, including priority boarding and disembarking, for disabled passengers.	Accept in principle - officials will give further consideration to an “audit of accessibility” in the context of the ICP and CHFS3
54	The Committee seeks an update from the Scottish Government on engagement with disabled passengers in the design of new vessels, including in the Small Vessel Replacement Programme.	Accept – see main response
55	The Islands Connectivity Plan is a chance to reconsider, in a comprehensive manner, fare policies including the Road Equivalent Tariff.	Accept - Through the Fair Fares Review, officials are undertaking a review of ferry fares that will take

	The Committee recommends the Scottish Government evaluate the Road Equivalent Tariff as part of its consultation and work on fares in the Islands Connectivity Plan, before taking any decision to reform or extend RET. To avoid unintended consequences, this evaluation should include modelling for the increased traffic this may produce, associated costs of demand on island infrastructure and the vessels/services required to mitigate potential capacity issues this could cause to existing services.	into account the results of the evaluations of the roll-out of RET, the last of which was published in 2021
56	The Committee is of the view that young people in ferry-dependent communities should have concessionary fares for ferries and recommends that the Scottish Government, as part of its Fair Fares Review, explore this option.	Accept
57	Throughout our inquiry we have identified areas where further oversight and expert consideration of issues is required, as well as adjudication of competing needs and interests and, where necessary, the protection of the passenger interest. Increased regulation of ferry services in Scotland is required and the Committee believes the Scottish Government should demonstrate in its response to this report and in the Islands Connectivity Plan how increased regulation and oversight will be achieved. The Committee is of the view there should be stronger regulatory function for ferry services and this could take a number of forms. This could include an independent ferry regulator, which Project Neptune considered, and we seek the views of the Scottish Government on this.	Noted – work will continue on options for structural and governance reform however we are not convinced that adding a further layer of bureaucracy such as a commissioner or regulator is aligned with our broader objectives of simplifying the delivery of ferry services in Scotland
58	The Committee recommends the Scottish Government provide an update on the status of the revised communications and stakeholder strategy highlighted in its response to the Rural Economy and Connectivity Committee, including a copy of this and information on how it is implemented and how its performance is being measured, including feedback from communities.	Accept – see main response
59	The Committee recognises board membership is a powerful and meaningful form of participation but believes it is not the only route to representation in decision making. In conjunction with our previous recommendation that the next CHFS contract must include	Accept

	specific requirements for the operator to work with local authorities and communities on service delivery and decision making, the Committee recommends the Scottish Government give consideration to how board membership of publicly owned ferry delivery organisations could include meaningful representations of the island communities they serve.	
60	The Committee recommends the Scottish Government set out the skills it believes are currently missing from public ferry delivery organisation board applications from island community members and consider how it will achieve the "upskilling" it considers necessary and within its responsibility.	Accept in principle – further consideration will be given to this recommendation
61	The Committee recommends trade union representation on the boards of public ferry delivery should be explored further, akin to the model adopted for ScotRail in 2022	Noted - Transport Scotland is currently exploring this further
62	The Committee seeks clarification on who would take the decision on the constitution of boards of publicly owned companies and requests an update on Scottish Government discussions with CalMac and CMAL about adding a trade union representative to their boards, including— <ul style="list-style-type: none"> • Considerations on union representatives on the Board; • The action to be taken were union representatives to be appointed to the board; and • The timescales for such action. 	See recommendation 61
63	The Committee recognises the merits presented to us of locating management positions for public ferry delivery organisations within the communities they serve and recommends the Scottish Government reflect on the evidence presented to us on this.	Accept - The location and provision of an operator's headquarters, and office estate, will also be considered as part of the CHFS3 contract development
64	The Committee recommends the Scottish Government consider how it could use the forthcoming new iteration of the CHFS contract to mandate regular meetings with stakeholders by senior management, as well as local	See recommendation 19

	operational officials, of public ferry delivery organisations.	
65	The Committee recommends the Scottish Government should consider what further Scottish Government support can be provided to the Ferries Community Board and in particular to facilitate structured and regular access to organisations such as Transport Scotland, CalMac and CMAL.	Accept
66	The Committee recommends the Scottish Government review the patchwork approach of organisations representing community interests in ferry services and ensure there is a consistency of representation and access to decision makers to all communities in formally established groups.	See recommendation 19
67	The Scottish Government should clarify the status of the Islands Transport Forum and whether this has met yet.	Accept – see main response
68	The Committee supports the principle of local management of lifeline ferry services and therefore supports the principle of council-run ferries. However, the Committee believes they should be supported to provide lifeline services where required. The Scottish Government must collaborate effectively in joint ventures with local authorities on reasonable needs and achieve long-term clarity on ongoing support (capital and revenue) to ensure communities have a reliable local ferry service now and in the future.	Noted – agree with the Committee’s support for the principle of council-run ferry services
69	For vessel procurement a number of options need to be looked at, including local authority and Scottish Government joint ventures.	Noted
70	The Committee recommends the Scottish Government undertake a comparative review of the status of services currently delivered by local authorities in Scotland with a view to establishing a minimum standard for consistent delivery across the country. A local authority working group should be established to consider how to implement this.	See recommendation 68
71	The Committee recommends the Scottish Government should include Transfer of Responsibility as an option for councils to apply for in the next Islands Connectivity Plan. The Scottish Government should reconsider whether the criteria for this are still appropriate and will ultimately lead to value for money and quality services.	Noted – currently no resource or timescale for such a review, Ministers will keep this under review

72	The situation with the Corran Ferry is deeply regrettable having been predicted by Highland Council when they gave evidence earlier this year.	Noted
73	The Committee recommends the Scottish Government commission a comprehensive study into the viability, cost and potential savings of fixed links in appropriate locations across Scotland. It should work with local authorities to build on the experience they have developed in initial scoping exercises to identify sites. The review must consider an assessment of increased costs of transfer of traffic to roads where available were ferry or fixed link ruled out. Auditing the environmental and carbon emission benefits and disbenefits must be a key element of any such studies.	STPR2 considered a long-list of fixed link proposals and concluded with its recommendation 41 regarding potential Sound of Harris/ Sound of Barra fixed links as well as another between Mull and the Scottish mainland. STPR2 did not consider the replacement of local ferry services by fixed links, as this was out of scope
74	The Committee recommends the Scottish Government provide an update to the Committee on the timescales for its investigation of fixed links in the Sounds of Barra and Harris and between Mull and the mainland. This should include an update on community engagement.	Planning for how this STPR2 recommendation is taken forward is currently being considered as part of the development of the STPR2 Delivery Plan, which the Scottish Government is progressing. A critical part of the next stage of will included stakeholder engagement.