



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Wednesday 3 March 2021**

**Session 5**



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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**8<sup>th</sup> Meeting 2021, Session 5**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

Maureen Watt (Aberdeen South and North Kincardine) (SNP)

**COMMITTEE MEMBERS**

- \*Peter Chapman (North East Scotland) (Con)
- \*John Finnie (Highlands and Islands) (Green)
- \*Jamie Halcro Johnston (Highlands and Islands) (Con)
- \*Emma Harper (South Scotland) (SNP)
- \*Richard Lyle (Uddingston and Bellshill) (SNP)
- \*Angus MacDonald (Falkirk East) (SNP)
- \*Mike Rumbles (North East Scotland) (LD)
- \*Colin Smyth (South Scotland) (Lab)
- \*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

- George Burgess (Scottish Government)
- Fergus Ewing (Cabinet Secretary for Rural Economy and Tourism)
- Jesus Gallego (Scottish Government)
- Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP) (Committee Substitute)
- Tim Hair (Ferguson Marine (Port Glasgow) Ltd)
- Ben Macpherson (Minister for Rural Affairs and the Natural Environment)
- Jane MacPherson (Scottish Government)
- Paul Wheelhouse (Minister for Energy, Connectivity and the Islands)
- Chris Wilcock (Scottish Government)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

Virtual Meeting



# Scottish Parliament

## Rural Economy and Connectivity Committee

Wednesday 3 March 2021

*[The Convener opened the meeting at 09:00]*

### Agriculture and Fisheries (Update)

**The Convener (Edward Mountain):** Good morning, and welcome to the eighth meeting of the Rural Economy and Connectivity Committee in 2021. I ask everyone to make sure that their mobile phones are on silent. This meeting will be conducted in virtual format. We have received apologies from Maureen Watt, the deputy convener. Should anything happen to my reception, it has been agreed that Stewart Stevenson will stand in. Christine Grahame is attending as Maureen Watt's substitute.

I would like to allow some declarations of interest prior to hearing the update from the minister. I will start that off by saying that I declare that I am a member of a family farming partnership in Moray and I have a wild salmon fisheries interest in Speyside.

**Peter Chapman (North East Scotland) (Con):** Likewise, I declare an interest in a farming partnership in Aberdeenshire.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I am the joint owner of a very small registered agricultural holding, from which I derive no income.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** I am also a partner in a farming business.

**Angus MacDonald (Falkirk East) (SNP):** In relation to later questions, I declare that I own properties in a crofting township in the Outer Hebrides. However, I derive no income from those properties.

**The Convener:** Agenda item 1 is agriculture and fisheries. I welcome, from the Scottish Government, Fergus Ewing, Cabinet Secretary for Rural Economy and Tourism; John Kerr, head of agricultural policy division; George Burgess, deputy director, food and drink; and Jane MacPherson, team leader, catching policy and future fisheries management. Cabinet secretary, I invite you to make a brief opening statement.

**The Cabinet Secretary for Rural Economy and Tourism (Fergus Ewing):** Good morning,

and thanks for this invitation to address you today with an update on the agriculture and rural economy portfolio. Before I do so, I want to specifically highlight the following areas.

First, Scotland's forestry sector is a positive area of the rural economy, not only because, throughout the pandemic, the forestry sector has continued to provide essential wood and timber products, but due to the tremendous successes that have been achieved over the past five years. We have fully completed the devolution of forestry, improving accountability and performance. We have doubled our woodland creation and we have also doubled the output of Scotland's tree nurseries. Large companies have invested more than £140 million of private capital into the sector. We have also helped more than 100 crofters to improve their land with trees. Forestry is a key growth area for the future in rural Scotland and I am happy to expand on that later.

I want to take this opportunity, to pay tribute to everybody working in the sector, both public and private, who are out there right now, working hard to deliver our planting targets. Despite this year of adversity, with Covid-19 and Brexit and heavy and persistent snow at the beginning of 2021, I am pleased this morning to be able to inform the committee that we are on track to meet our target of 12,000 hectares of new woodland. There are, in fact, 13,000 hectares of projects approved for this financial year and over 6,000 hectares for the following year. The pipeline remains strong and that truly is a remarkable achievement.

Turning to fisheries, as we implement our future fisheries management strategy, we will consider the scope of the United Kingdom Fisheries Act 2020 alongside other legislation and substantive vessel licensing powers already in place to determine whether additional legislation may be required to support sustainable and responsible fishing management, including for the inshore sector. We will, of course, work in partnership with our stakeholders to do that.

Finally, on frameworks, currently, seven frameworks that are in the Rural Economy and Connectivity Committee's remit are operating at official level on an interim basis across the UK. An additional framework on organic farming is currently undergoing the provisional approval process. In conclusion, I expect these frameworks to be developed further in the coming months and to be formally scrutinised by the Scottish Parliament from September onwards, before they are finalised and approved by all four Administrations.

**The Convener:** Thank you for that opening statement. We have a series of questions—actually, quite a lot of questions. As I always

implore, short questions and short answers go well together. Colin Smyth will start off.

**Colin Smyth (South Scotland) (Lab):** Good morning. The Agriculture (Retained EU Law and Data) (Scotland) Act 2020 is now in statute. Can you tell us how that legislation has so far been used to simplify or improve the operation of common agricultural policy legislation and say what plans the Government has to make further changes in the short term? Is there, for example, any sign of the pilot schemes that are now allowed under the legislation?

**Fergus Ewing:** We have put those powers to good use, as we had planned for prior to the legislation. There are a number of ways that we have done that, Mr Smyth. For example, we have removed the crop diversification requirement from the greening rules from 2021. We have made improvements to inspections for 2021 by refocusing resources towards improving compliance, support and better targeting of inspections. We have also made improvements to the penalty regime, which I think that many people, certainly myself, felt involved disproportionate penalties. We have reinstated less favoured area support scheme payments to 100 per cent for the scheme year 2021, which was a popular move.

To the second question, along with NatureScot, we are proceeding with pilots at the moment—a forestry pilot is under way, for example. We are also working with farmer-led groups, which I will park, because it might be the subject of substantive questions later.

A great deal of progress has been made. In summary, all of those things—inspections, penalties, the removal of the crop rule—are things that the farming community was asking for for quite a long time.

**Colin Smyth:** You are correct to say that the farmer-led groups will be part of the questions later. In fact, my colleague is about to ask questions on that.

To open that discussion, looking at future policy, it is more than two years since Parliament agreed to establish what subsequently became the farming and food production future policy group. The Scottish Government website still says that the remit is to make recommendations for future policy development

“in the course of 2020”.

We have not seen any of those recommendations yet, but you have obviously seen a draft from the group. What is your response to what it is proposing, and when are we likely to see exactly what that particular group is proposing? The clock is ticking towards 2024 and I do not think that

there is a farming environment stakeholder anywhere happy with the progress from the Government in setting out future policy.

**Fergus Ewing:** I do not agree with the last statement, but in response to the main question, this group was established, quite rightly, as an independent group. In other words, it was not a Scottish Government advisory group. It was a group that was set up precisely to conform with the exact requirements as set out in a parliamentary motion and amendment, which was, as I recall, lodged by Mr Rumbles. Therefore, I think that it is important to make the point that this is an independent group and it would be quite wrong for me to instruct it.

Perhaps because of Covid and Brexit, the group has not finished its work or reached its conclusions, but I do not think that it is for me to order it to do so. It is, by definition, an independent group. It also represents various strands of stakeholders and so on. It was not for me to exert any pressure with regard to the appearance of individual members of the group in respect of stakeholders. It is up to the group to determine whether or not it is able to report.

In the meantime, I wish to stress that we have our climate change plan and we have our farmer-led groups in place. The beef suckler climate report by Jim Walker and Claire Simonetta was published at the end of October last year. I think that we are making substantial progress now that Brexit has clarified some aspects and we are able to see beyond Brexit to some extent. I can answer questions on the progress that we are making in that regard, if the committee so wishes.

**The Convener:** Colin Smyth, do you want to push on that? I am happy to bring in Mike Rumbles.

**Colin Smyth:** I would like to follow up on that. What was it from the farming and food production future policy group’s draft that prompted you to then go off and set up a range of other farming groups?

**Fergus Ewing:** I have always believed that the Scottish Government needed to take forward its initiatives to tackle climate change and to look beyond Brexit. I have made no secret of that. Indeed, the pledge for farmer-led groups was contained in our programme for government. It has been there for members to quiz me on and to raise questions about for a considerable length of time.

I also think that there is a more important question, and this is very important to understand. We will be asking farmers, crofters and land managers to change considerably the way that they farm and to farm ever more sustainably to tackle our ambitious, challenging climate change

targets. I was determined to make sure that the ways in which change was required were discussed and brought forward by farmers themselves. I feared that, if politicians, academics and civil servants were to impose a top-down set of policies, they might well be resisted. Therefore, to get buy-in for what we must do to tackle climate change, I believe that asking farmers themselves to take and share responsibility for policy development was the only practical way to do that. Quite rightly, in my opinion, farmers are very resistant to being told what to do by people outwith their farm who do not know their land as they do.

Secondly, who best to persuade farmers and crofters to change than other farmers and crofters? I have spent 13 years in Government, and I have always been of the view that we should work on a team Scotland basis, and that applies to policy formulation. In this case, I have to say that the work that farmer-led groups are doing is exemplary. I have been in close contact with many of the leaders of the groups and the progress that they are making is significant. I hope that we will have some reports before purdah, and we will certainly have them in the spring. I believe that proceeding in this way, putting farmers in charge of their destiny, is the only way—a sine qua non, if you like—of making the progress that we all want to see in tackling climate change.

**Colin Smyth:** So, you have sidelined the farming and food production future policy group because you did not like the draft and you have set up other groups. Presumably, you could have set up those groups at the very start, but you waited until you had seen a draft from the future policy group. Is that not the case?

**Fergus Ewing:** No, that is not the case. I set up the process of farmer-led groups some considerable time ago. To say that I have sidelined the report is completely and utterly wrong. It is an independent report and it is completely inappropriate that I should seek to direct or instruct that because it is an independent report. Nobody has sidelined it. If it is able to produce the report before purdah, we will, of course, study it carefully. If that does not happen, we have our clear plan in place. I referred to the climate change plan; Mr Smyth did not mention that. That sets out a number of things that we have to do. My job then was to turn that into an action plan, and that is exactly what I am doing.

**Colin Smyth:** I have questions on the climate change plan, cabinet secretary, but I know that other members want to come in on this issue first before I ask them.

09:15

**Peter Chapman:** Cabinet secretary, I absolutely agree that getting buy-in from the farming community is very important, but you have to recognise that farmers have been crying out for a plan for, I would argue, at least the past two years. NFU Scotland, Scottish Land & Estates and farmers themselves are ready for change and accept that change is coming. Do you not accept that you are moving far too slowly? The industry thinks that you are—you are the only person who does not think that. If we, as an industry, are to meet the climate change targets by 2030, we need a plan before 2024. Do you not accept that the industry is correct and you are wrong, and that you are far too slow in bringing forward the route map that the industry desperately needs?

**Fergus Ewing:** With respect, I do not accept any of that at all. In fact, I have had scarcely any letters to that effect from farmers over the past three years. If there were a clamour, I would have been inundated with correspondence to that effect, but I have not; there has been nary an email.

What farmers have wanted is stability and certainty, and confidence that their payments—which includes a payment to you—are received on time. We have fixed that—we have sorted it. I said that I would fix it in 2016, and not only have we fixed it but Scottish farmers have received their pillar 1 payments via what are effectively de facto advance payments, in the form of loans, two or three months earlier than anywhere else in the UK. I think that what farmers wanted is for us to do our job, and we have done that job by making payments.

I led and won the convergence campaign, which has given a big boost to farmers throughout the country, particularly in the less productive areas, which are the reason why we got the convergence moneys in the first place.

I also think that the enthusiasm of the farmers who are participating in the farmer-led groups is manifest and palpable. It is a good thing. I genuinely hope that other parties will support that as the modus operandi for the way ahead.

I point to the work that I have done, which I referred to in answering Mr Smyth's question, on alleviating penalties, reducing inspections, abolishing the crop diversification rule and confirming that LFASS will revert to 100 per cent for next year. Incidentally, it would be my hope that we would keep LFASS at that level until 2024, and the hill farming, upland and crofting group is also tasked with giving us advice about an LFASS replacement. All those pieces of work are the practical things that count for farmers.

The narrative that the Conservatives in Scotland have been concocting is genuinely not based on

the facts as far as I can see and, therefore, it is almost irrelevant. On the contrary, now that Brexit is upon us, rightly or wrongly, now is the time to make progress.

We are not waiting until 2024 for a new system. I believe that we will—

**The Convener:** Cabinet secretary—

**Fergus Ewing:** Peter Chapman asked several questions, convener; I am just answering them—

**The Convener:** I have given you a lot of leeway in that answer. I will try, because there are so many questions, to focus you in. I will bring in Jamie Halcro Johnston, and then I will go to Richard Lyle.

**Jamie Halcro Johnston:** Good morning, cabinet secretary. In response to your answer to Peter Chapman, at AgriScot in early November, Andrew McCormick, the then NFUS president, said:

“Where is the policy? Where is the road map? All the information you need is sitting waiting on Scottish Government desks to be pulled together. Stop dithering and start delivering.”

Is that not the NFUS clamouring for answers on future rural policies?

**Fergus Ewing:** You picked one phrase from Andrew McCormick’s speech, if that was what he actually said at the time—I cannot recall the exact words. We work very closely, and quite rightly so, with the NFUS. Martin Kennedy is the co-chair of the hill farming, upland and crofting group, along with Joyce Campbell. As I understand it, he and his colleagues in the NFUS, whose board I will meet pre-purdah, are largely signed up to the process of farmer-led groups.

No one else has mentioned this thus far, but the UK Government has unilaterally reduced our budget to 2025 by £170 million. It is very difficult to make a plan until you know what your budget is. At the moment, our budget has been reduced by £170 million, and the budgets for Wales and Northern Ireland have also been reduced. I am still waiting to know whether you, as the Conservatives’ spokesman, will join me in campaigning for that cut to be reversed. That would certainly help us deliver any plan for the future.

**The Convener:** Richard Lyle has some questions on forestry.

**Richard Lyle (Uddingston and Bellshill) (SNP):** Can I move on to a positive issue now, cabinet secretary? I welcome your announcement on new planting. As you know, during my time in Parliament I have continually advocated for more tree planting. My thanks go to forestry personnel for what they have done. Instead of 12,000

hectares, you will now plant 13,000. That is 80 per cent of UK planting. What discussions are you having with other nations to increase their planting, which is abysmal in comparison with planting in Scotland?

**The Convener:** Cabinet secretary, for the avoidance of doubt, could you clarify that what Richard Lyle has said is correct and that you will be planting 13,000 hectares this year?

**Fergus Ewing:** I will repeat what I said earlier, convener, because I made it very clear. I said that 13,000 hectares of projects have been approved for this financial year, so we are on track to meet our target of 12,000. The audited figures will be available later in the year, but I thought it correct to inform the committee that we are on track to meet our target. We always aim a bit over the actual target because there is always an element of slippage. This year—my goodness—we have seen Brexit and Covid, and, as you know, there has been persistent snow during the planting season. We are on track to meet our target. I want to be absolutely precise about that.

As I recall, our target is twice the rate of total new plantings that applied back in 2015-16, so I think that it is correct to pay tribute to everybody involved in forestry. Mr Lyle is absolutely correct. We aim to further increase that to 18,000 hectares. Indeed, some have argued that we can go further, and I think that we have the capacity and the land mass asset in Scotland to go further.

It is very important that we take farmers and crofters with us. We are setting out our intention to deliver further schemes, building on the success that we have seen. Many schemes already involve farms and smaller land owners.

On the question about other jurisdictions, plainly England and Wales are, by and large, more densely populated than Scotland and do not quite have the capacity to do what we do. Zac Goldsmith, the UK minister, sought my advice—he thought that performance in Scotland was excellent. I was very pleased that he was honest enough to recognise that we have made substantial progress.

Alongside the planting sector, the sawmill panel products sector is also very important to the Scottish economy as an area of real potential growth in the future.

I will stop there, because I see that you want to make progress, convener.

**The Convener:** I do. Thank you, cabinet secretary. I will briefly go back to Colin Smyth because I think that he wanted to ask a question. I will then go to Emma Harper. I remind members that I am watching the chat box carefully to try to bring people in at the right time. Please watch to

see where I will bring you in, to try to make this as seamless as possible.

**Colin Smyth:** Obviously, the climate change plan is important. I mentioned that I had a question when the cabinet secretary mentioned it. There has been unanimous criticism of the Scottish Government's decision to cut the agri-environment climate scheme by 20 per cent—I think that almost all stakeholders have criticised that move. How will the gap left by that cut be filled in the short term, before we move to a new post-2024 policy?

**Fergus Ewing:** I do not really accept the characterisation of “unanimous”. However, I point to the £170 million cut. I hope that the Labour Party supports my campaign to reverse that cut.

A third of the CAP schemes, including greening, the agri-environment climate scheme, the beef efficiency scheme and the forestry grant scheme, provide funding in that area. We have also provided funding for the agri-transformation programme. We have prioritised agri-environment support in the face of significant cuts. As it stands, we stand to lose £170 million over the period. The AECS was reopened for a targeted range of options in January 2021. Broadly speaking, it supports the same range of land, under “stewardship”.

I ask Mr Smyth again whether Scotland will campaign as one to get the money that we were promised pre-Brexit by the Brexiteers—we were promised that the funding would be at least matched post-Brexit. We need to get that money back. I will be arguing very forcibly in the coming weeks and months that that is a major issue for Scotland. I hope that we can have a united campaign like the one that that, latterly, we had on the convergence money, which led to the success of that campaign.

**Colin Smyth:** The NFUS, Scottish Environment LINK and many others have criticised the cut. If the criticism has not been unanimous, can you tell us of any organisation or individual who supports your decision?

**Fergus Ewing:** I think that there was fairly widespread recognition that the problems that we face meant that the decisions that we took were practical and effective. Certainly, I understand that NatureScot has welcomed the commitment to have a further round of AECS. There was also a welcome for our carrying over of funding from the previous round to continue spending. We will continue the AECS spending until 2025. To categorise the opposition as total and monolithic is somewhat overegging the cake.

I go back to my point: if we had not had a £170 million cut foisted on us—with no consultation, I may add—we could have used some of that funding to do even more. If the other parties want

to support me, that would do nothing other than help me—and the Administrations in Wales and Northern Ireland, which are making precisely the same case—win that campaign.

**The Convener:** Thank you, cabinet secretary. Colin Smyth, the answer to your question is that NatureScot is the only one.

**Emma Harper (South Scotland) (SNP):** Good morning, cabinet secretary. This might be the fourth week in a row that we have seen you at the committee.

I have a quick question about the common frameworks. We received a copy of a letter from Mike Russell, the Cabinet Secretary for the Constitution, Europe and External Affairs, said that many of the common frameworks would be scrutinised in September 2021, in the next parliamentary session. Do you have any reflections on the common frameworks process, given that elements of the frameworks have been implemented already through primary and secondary legislation? I know that many of the frameworks are difficult and are taking a lot of work—we have seen that on the Health and Sport Committee as well.

**Fergus Ewing:** The frameworks are developed to agree joint ways of working between the four Governments in policy areas where there is a devolved intersect. They have been designed to manage divergence—in other words, to recognise that the devolved Administrations can take their own decisions in areas such as agriculture and fisheries. The provisional frameworks are, as Emma Harper says, in operation at official level on an interim basis. All legislatures will have the opportunity to scrutinise them before they are finalised. I think that I made that point in my opening remarks. As a matter of form, it is important that we are accountable to Parliament, as is the UK Government, through the Scottish Government.

My own reflection is that a framework is one thing, but unless we are properly consulted before decisions are taken, the frameworks are a sham. We were not consulted about the £170 million cut or the absurd concessions that were made on fisheries in the Brexit negotiations. We were not consulted about major things, including the UK's various U-turns in the sad history of the impacts on seafood following Brexit. Without proper consultation—they say that it will happen, but it very rarely does—the frameworks are nothing but words on a page.

**Jamie Halcro Johnston:** We are all very aware of the issues and challenges that face some of our exporters and, as you mentioned, the fisheries sector has had particular issues since the end of the transition period. What progress has been

made in resolving some of those export challenges for food producers more generally? What is the outcome of the initial discussions with the Scottish seafood exports task force?

09:30

**Fergus Ewing:** Mr Halcro Johnston refers to an extremely serious turn of events, which is that, since Brexit, the seafood sector in particular as well as the whole agriculture sector have been very adversely affected. In particular, the new additional bureaucratic processes that have been introduced have affected the seafood sector most obviously, with devastating consequences.

Seed potatoes can no longer be exported. I also heard yesterday—I think that the story is being publicised by the *Farmers Guardian*—that a carrot exporter to Northern Ireland has lost business because his customer in Northern Ireland said that the additional paperwork means that the business is no longer worth while. There have also been problems with exports of certain meat products to Northern Ireland.

Mr Halcro Johnston asks what progress has been made on those issues. We are working hard. Food Standards Scotland, Scottish Government officials—including Mr Burgess, who is present—and the staff at the three hubs that were set up in Scotland to help address the coming maelstrom of bureaucratic impasse have all been working around the clock. I am very proud of the huge efforts that have been made. Ian McWatt of FSS has really got this by the scruff of the neck.

The complexity of export health certificates, the interaction with customs documentation, and the practical difficulties of importation and agency, coupled with the logistical issues of transportation during a Covid pandemic, have created very serious problems, as I think that everybody has said.

The task force that was set up is working to try to address some of the issues, and we are working constructively on the process. For example, I receive daily reports about the length of time that it takes to process EHCs. Progress has been made, but I am afraid that one of the worries is still that smaller exporters, particularly those who use groupage consignment, are finding that the costs of the process are making the continuance of trade unprofitable. I genuinely fear that that is a real worry. I have mentioned carrots; I could mention other examples, including of small shellfish traders simply deciding to discontinue exporting because their former profit margin has been more than used up by the cost of the Brexit bureaucracy.

**Jamie Halcro Johnston:** Thanks very much for that answer.

I know that in a previous discussion—I am trying to remember whether it was at this committee or at the Culture, Tourism, Europe and External Affairs Committee, which I also sit on—someone suggested that a capped fee for smaller producers would help with some of the issues around those certificates. I do not know whether that has been considered.

I will move on. The Culture, Tourism, Europe and External Affairs Committee heard evidence from the chairman of the European Parliament's Committee on Foreign Affairs, David McAllister MEP. He offered to help with problems that arise on the European Union side. It has been acknowledged that there have some inconsistencies in border checks by different EU nations.

What interaction or engagement has the Scottish Government had with the Commission or the European Parliament in addressing some of the issues? I am thinking of ridiculous issues such as the wrong-coloured ink being used or customs officials in certain EU countries simply not knowing, or not following, what is quite clearly standard EU law.

**Fergus Ewing:** Officials in our Brussels office are in daily contact with their counterparts; there is also informal discussion. As Mr Halcro Johnston and the committee know, the formal legal responsibility—indeed, the duty—rests with the UK to make progress with the Commission. These are largely operational problems, and they result because—we repeatedly warned both Mr Eustice and Mr Gove about this—the imposition of a brand-new bureaucratic system was bound to lead to tears. James Withers of Scotland Food & Drink and all, or virtually all, the Scottish stakeholders said on 1 November that a six-month period of grace was needed, during which the old system would apply while people learned to adapt to a new system before it came into formal effect. The UK never asked for grace period; it says that it was not available, but it never actually asked for it.

**Jamie Halcro Johnston:** I recognise the politics of the situation.

**Fergus Ewing:** No—that is not about the politics; it is about being pragmatic.

**Jamie Halcro Johnston:** I am raising areas where EU nations are not following the EU's import procedures. Are you suggesting that the Scottish Government cannot help with or work on that because it is a UK issue, or can the Scottish Government help with some of it?

**Fergus Ewing:** We use our connections to try to make progress, but we are where we are because of Brexit. For example, on the seed potato issue, through Professor Saddler and other officials with whom I work extremely closely, we

tried to remove the ban on seed potatoes. No stone has been left unturned, including appropriate communication with the European representative bodies to ensure that representations were made not just to the Commission but to individual countries that have trade with us on seed potatoes. That is just one example where we have gone out of our way and where no stone has been left unturned.

I am afraid that my point is very simple and factual. We are where we are because of Brexit and because of the way that the UK Government chose to do Brexit, despite warnings that it would lead to the difficulties we have seen. Brexiteers wanted to scrap red tape but, ironically, Brexit has led to red tape instead.

**Jamie Halcro Johnston:** We are just going over old ground here. The question was about the practical work that the Scottish Government could do in areas where even the EU accepts that its rules are perhaps not being followed.

I will move on quickly to an issue around import checks on goods coming into Scotland. At a recent meeting of the Culture, Tourism, Europe and External Affairs Committee, we had Mark Thomson from Dumfries and Galloway Council talking about Cairnryan, which is looking for port health authority status. He raised a concern about the funding needed to get that status. When I asked him who would pay if the Scottish Government did not provide additional funding, his answer was not that it would necessarily be the council; it was that it might not be possible to provide those services at Cairnryan.

I know that Joan McAlpine, as the convener of that committee, has written to Mike Russell about the issue. Can you give us an update on Scottish Government support for Dumfries and Galloway Council to get port health authority status? If it does not get that funding, what would be the impact of not having that status at Cairnryan?

**Fergus Ewing:** It is essential that, post-Brexit, Cairnryan should be a border control post because, if it does not have that status, it will possibly gradually wither on the vine in terms of trade, as traders will use other border posts. Even though the proportion of goods imported and exported that will be subject to the border controls may be small, the worry is that the traders will choose elsewhere because of administrative convenience.

I have been arguing over the past year prior to Brexit that we must get a border control post. Mr Halcro Johnston is saying that we should pay for it, but customs is a reserved issue. Border control posts are within the gift of the UK. The operation of the sanitary and phytosanitary checks is for us, and they involve extra cost only because of Brexit,

but let us be clear that the responsibility for border controls is a reserved matter. I have repeatedly asked Michael Gove whether the UK Government will pay for that, and he has accepted that the UK should pay, so why on earth are the Scottish Tories asking the Scottish Government to pay for something that is palpably for the UK? I do not understand.

My colleagues in the transport section are dealing with the issue day to day in respect of discussions with local authorities, so that is not in my purview. The bigger question is who pays, and it should be the London Government.

**Jamie Halcro Johnston:** To clarify, I was not asking about border controls; I was asking about port health authority status, which obviously involves services delivered by the local council, and it is asking the Scottish Government for support with that. That is why I asked you the question. I appreciate that it is not your sector, but have you had discussions with Mike Russell about the issue? Can you give an update on whether that support will be forthcoming? Dumfries and Galloway Council has suggested that, if it does not have the additional funding—obviously the Scottish Government has been provided with £200 million for Brexit preparations—it might not be able to provide that service. Of course, that would have real implications for Scotland and for the sectors that are under your control in relation to feed and other food products.

**Fergus Ewing:** I have, of course, had extensive discussions with Mike Russell, but it is not Mike Russell who is dealing with local authorities. He does not have that ministerial responsibility.

I would like to bring in George Burgess, who might be able to add a bit more on that. We fully accept our responsibilities for sanitary and phytosanitary checks. We went to great lengths in advance of the new arrangements coming into place to make sure that funding was available for the recruitment of individuals involved. Moreover, although it is not in my specific purview and responsibility, we have nonetheless been working with all relevant local authorities to that end.

Given that Mr Halcro Johnston has asked for a bit more detail, perhaps my officials can help, with your permission, convener.

**The Convener:** No, cabinet secretary. I would love to bring in George Burgess, but I am struggling for time because of the length of the questions and answers. I want to bring in Christine Grahame with a question.

Cabinet secretary, with the greatest respect, please do not shake your head. I am trying to run the meeting so that everyone gets a chance to ask questions. Christine Grahame would like to ask

some questions, and if it is appropriate to bring in George Burgess after that, we will do that.

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** Like Jamie Halcro Johnston, I am a member of the Culture, Tourism, Europe and External Affairs Committee, which is handy for me in substituting in this committee. My question is on the fisheries and farming industries and what can be done now that we are out of the European Union. The evidence on that is startling. Jimmy Buchan, chief executive of the Scottish Seafood Association, said on Brexit:

“these are not minor impediments to trade. The industry in Scotland has basically ground to a halt and businesses that employ hundreds of people in communities around our coastline are losing money.”

Elsbeth Macdonald of the Scottish Fishermen’s Federation said:

“The UK Government has not secured a good deal on fishing, so that benefit has not been delivered.”

Jimmy Buchan said:

“In my opinion, we have ended up with the worst of the worst of the worst.”—[*Official Report, Culture, Tourism, Europe and External Affairs Committee*, 11 February 2021; c 53, 52.]

Charlie Adam of NFU Scotland said:

“We are only at about 25 per cent”—

**The Convener:** Christine—

**Christine Grahame:** I am coming to the question.

**The Convener:** Sorry, Christine but, with the greatest respect, I have asked for short questions and answers. If I asked a question of that length in the chamber, I am sure that the Presiding Officer would call me to account. I am calling you to account and asking you to ask a short question.

**Christine Grahame:** That particular one is my question. With respect, I have listened to the length of other contributions from other members.

All those people say that there are serious structural issues. What can the Scottish Government do if there are serious structural issues?

My second question is on customs. The Road Haulage Association—I know that the UK Government refuted this, as it is perfectly entitled to do—said that we are 50,000 customs officers short, which is causing huge issues and delays at ports and distribution centres. Will the cabinet secretary comment on that?

**The Convener:** Briefly, cabinet secretary, please.

**Fergus Ewing:** I will answer briefly, and then I would be grateful if Mr Burgess could add something, as that would be helpful.

My job is to try to make the best of things and to work with Jimmy Buchan and Elspeth Macdonald. I meet them frequently, and I could go into five or six things that we are trying to implement. I stress that, although Brexit has been a complete disaster for fisheries, we are nonetheless trying to make the best of it. That is my approach. It is absolutely essential that we get back our fisheries sector that is so important to Scotland.

I will give up the rest of my time to Mr Burgess.

**The Convener:** As you have kept to a short answer, I am happy to bring in George Burgess briefly.

09:45

**George Burgess (Scottish Government):** On the matter of the border control post, the draft development order was published last week. My colleagues are working with the local authority and other stakeholders to ensure that a border control post can be established. We expect that we will have to meet at least part of the bill for that.

On Mr Halcro Johnston’s question about engagement with European authorities, we are having regular dialogue with the French authorities, given that so much of our trade goes through the French ports. That is helping to resolve the practical issues, with things such as ink colour, stamps and all the rest of it.

We have also funded two posts in Seafood Scotland working in Calais to help to resolve very practical problems at that end and speed up the flow of goods.

**The Convener:** Christine Grahame wants to ask a couple more questions. I encourage her to be brief, please.

**Christine Grahame:** I will certainly take my lead from you, convener.

What impact has the trade and co-operation agreement had on the development of policy and regulation for agriculture and land management, in relation to issues such as the level playing field, which I was leading up to in my previous question?

**Fergus Ewing:** The effects of the TCA, including its interaction with other bits of legislation such as the United Kingdom Internal Market Act 2020, will continue to unravel. One potential example that could have significant consequences would be the effect on subsidy control in the UK. Most but not all agricultural subsidies—support payments, as I prefer to call them—are exempt

from the subsidy control provisions of the TCA and are covered by the World Trade Organization.

On 3 February, the UK Government released a consultation on those areas, which asks whether the subsidy should be subject to the new regime, despite being exempt in the TCA. There are many potential implications, although it is early days yet to be categorical about it.

**Christine Grahame:** Following the passage of the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021, does the Government intend to keep pace with the EU CAP regulations as those change ahead of the next CAP period?

**Fergus Ewing:** We generally favour alignment with the EU because, the more we are aligned with the EU, the less risk there is of losing further trade, such as the export of seed potatoes. The reason why seed potatoes are banned from export and we have lost that market as result of Brexit is because the UK Government refused to dynamically align and accept that it would abide by EU legislation. That is just one example.

The EU CAP proposals are to ensure a fair income to farmers, to increase competitiveness and to rebalance the power in the food chain, and there are objectives on climate change, environmental care and vibrant rural areas. We share those EU objectives, so we think that, broadly speaking, we should do that.

**Christine Grahame:** As a supplementary question, as a member of the Culture, Tourism, Europe and External Affairs Committee, I understand the loss of the seed potato export market. Do you have a figure for the value of that?

**Fergus Ewing:** The seed potato market for Scotland as a whole is worth hundreds of millions of pounds. Markets such as Egypt are extremely valuable. I do not have the precise figures in front of me, but I will revert to the committee with them. We are talking about millions of pounds, and that means that other markets will have to be found. Decisions are being made right now by seed potato growers not to grow for that market any longer. That is tragic, because our seed potatoes are regarded as the best in the world. We have lost the market, purely because of bureaucracy and the way in which the UK Government has chosen to implement Brexit. It could have avoided the loss of the market if it had wanted to, but it was not important enough to merit even a discussion in the negotiations.

**The Convener:** Stewart Stevenson has the next questions.

**Stewart Stevenson:** I will try to shorten the questions, convener. I make the observation that, in my constituency alone, seed potatoes are worth

more than £10 million a year, but I will pass on that.

I have a question on fisheries. A colleague will deal with the committees and management strategy; I simply want to ask how the negotiations on total allowable catch with the EU and other independent coastal states are going. In particular, what role does the Scottish Government have in those negotiations? Of course, our being involved will not only benefit Scotland; because of the expertise here, it will benefit the rest of the UK.

**Fergus Ewing:** As Mr Stevenson will know, the negotiations are on-going. I have to say that Brexit has exacerbated the complexities and difficulties in the negotiations. I do not want to go into too much detail here, as that would not necessarily be appropriate.

In general, no one would doubt that Brexit has made the negotiations more difficult. There is a particular loss that is important in practical terms, which is to do with swaps. Under the common fisheries policy, after the deals were done in the Brussels negotiations and bilaterals, producer organisations could make swaps to ameliorate the deal. They could make practical arrangements to swap quota with others in other countries and other waters. That was a practical and useful method, but it now cannot be done at the local level; it can be done only through an intergovernmental process. That is a massive loss. In addition, the actual details of the quota that will be available are such that, in some areas, we will be worse off than beforehand. Overall, the upshot is that it is more difficult.

At some point, convener, I would like to bring in officials to supplement any answers that I have given, just in case there are other points that it would be useful to bring to the committee's attention, so I will stop there.

**Stewart Stevenson:** One of my colleagues might want to ask a little more about swaps, although I suspect that you may have answered some of the questions.

You did not speak to me about the Scottish—

**The Convener:** Stewart, I am sorry, but can I just stop you there? I do not know whether it is me or somebody else, but the cabinet secretary seems to have frozen. Is that me or you?

**Fergus Ewing:** I do not think that I have frozen, convener.

**The Convener:** Okay. Sorry, Stewart—keep going.

**Stewart Stevenson:** I was just going to say that it would be helpful if we heard how the Scottish Government, either at official or ministerial level, is involved.

My final question on the issue is about the specialised committee on fisheries that relates to the governance of the trade and co-operation agreement. How are we involved in that?

**Fergus Ewing:** The immediate priority is the annual negotiations and the setting of TACs to allow the quotas for 2021 to be set and to give the industry the factual certainty that it needs to operate and manage its fishing opportunities for the remainder of the year. Given the protracted annual negotiation with the EU, the policy work to implement the elements of the TCA has not started yet in earnest. We want Marine Scotland to be fully engaged in the setting up of the specialised committee, particularly given our responsibility for fisheries management and expertise in quota management and the annual negotiations.

**The Convener:** I am struggling with my internet. I cannot quite work out whether it is me or other people. I will turn off my camera until I can resolve it. Perhaps the information technology staff could help me.

Anyway, Peter Chapman has the next questions.

**Peter Chapman:** My question is on international quota swaps. You addressed that to an extent with Stewart Stevenson, cabinet secretary. I realise that it is now a much more difficult process—as you rightly said, it is an intergovernmental process. That does not mean that we do not try to start the process. Has any progress been made in allowing the international quota swaps to continue, which I would hope will be soon? Where are we with that process?

**Fergus Ewing:** I will perhaps bring in Jane MacPherson to answer the technical question, but I understand that the process really only kicks in after the deal is done, and the deal has not been done, so it is premature to talk about that. We will obviously try to make anything work but, as I think Mr Chapman knows, the guys with the expertise are in the producers organisations. In effect, they will not be able to do what they used to do. I am not involved with the issue, but that is my understanding.

Maybe I could pass to Jane MacPherson to give a more technical answer to Mr Chapman's question, which is a reasonable question to ask.

**Jane MacPherson (Scottish Government):** The cabinet secretary is completely right that the in-year mechanism is yet to be established through the TCA special committee for fisheries, mainly because of that annual negotiation process. For us, it is more important to focus on the bilateral negotiations, as that is where the potential is for this in-year process. We do not want to get into the process of talking about the

negotiation swaps until the bilateral negotiations have concluded. The cabinet secretary is right about the process. It is about concluding the bilaterals and then moving on to thinking about how the specialised committee will work.

**The Convener:** Before we go any further, because of the appalling internet that I have, I will have to drop off and reconnect. I will hand over the meeting to Stewart Stevenson to convene in my absence while I reconnect. I am sorry, but broadband does not really work in the Highlands. I will reconnect.

**Peter Chapman:** I have one more question, Stewart.

**Stewart Stevenson:** I was just going to say that I thought that you had not finished.

**Peter Chapman:** Cabinet secretary, based on the expectation that we will receive extra quota of fish from our waters in the future, have you given any thought to how additional quota will be allocated to the inshore fleet? Has that been discussed? What are your thoughts on that?

**Fergus Ewing:** My thoughts are that the deal that has been done has been analysed by Marine Scotland, and that that analysis shows that it is not at all a good deal for Scotland. Some areas will be worse off, and others will be marginally better off. Whether there will, in the future, be significant benefits is a question on which, to be frank, the jury is out. The provision that is of particular concern is that unless the deal is renegotiated in a way that is acceptable to the EU, at the end of five years it can start to punish British fishermen by imposing tariffs, starting on fisheries products including farmed fish, then moving on to other areas.

Peter Chapman's question is hypothetical, at the moment. We did however, set out in our sustainable fisheries management policy the approach that we would try to take, which is there for you to see. Our focus at the moment is on trying to get the best deal that we can get through the outcome of the negotiations that are taking place with the Faroe Islands, Norway, the EU and the UK. That must be our focus at the moment, rather than answering what are, I am afraid, pretty hypothetical questions.

**Stewart Stevenson:** Can we have a very brief supplementary from Emma Harper, please?

**Emma Harper:** My understanding on inshore fisheries quota is that the quota for queen scallops in the south Irish Sea, where Kirkcubright fishermen fish, was left out of the negotiations by the UK Government, so Kirkcubright fishermen now cannot fish for queen scallops in the south Irish Sea. Can that be addressed in the future so

that they can fish the waters that they are used to fishing again?

10:00

**Fergus Ewing:** I think that that is correct. Perhaps Jane MacPherson can answer on the technical aspects of that question.

**Jane MacPherson:** I apologise, cabinet secretary, because I do not have the specifics on that fishery, although I am happy to follow that up and get an answer to the committee. We can correspond on that.

**Stewart Stevenson:** Thank you. John Finnie will be next. We are halfway through the questions and we are happy.

**John Finnie (Highlands and Islands) (Green):** Good morning, cabinet secretary and officials. We are no longer under the common fisheries policy. Can you outline, please, what progress has been made on producing a joint fisheries statement, and what is the timeline for when a draft statement might be shared with the four UK Parliaments?

**Fergus Ewing:** The UK fisheries administrations have agreed a timeline for completion of the joint fisheries statement. They have agreed a policy outline and drafting has commenced and is in the early stages. We will keep everybody in the community of interest engaged in the drafting ahead of a formal public consultation in winter this year into spring next year. A final draft of the document will be laid before each legislature for comment, and for adoption in winter 2022.

**John Finnie:** Early in the parliamentary session, the Scottish Government undertook to bring in new inshore fisheries legislation. Could you please comment on the status of that, specifically with regards to three points? Our sister committee, the Environment, Climate Change and Land Reform Committee, had a marine planning inquiry that recommended regional inshore fisheries groups. Will the Scottish Government commit to making RIFGs statutory bodies?

A discussion paper from the Scottish Government on fisheries management said that it saw merit in introducing “a significant low-impact trial”. Can you say why that proposal was dropped?

Finally, what would the Scottish Government’s new fisheries strategy be on spatial management of inshore fisheries with regard to things such as scallop dredging and bottom trawling?

**Fergus Ewing:** Those are three quite big questions. First, I say that progress on an inshore fisheries bill was impeded by Brexit and Covid, but now, frankly, the inshore fisheries are being

impeded by Brexit. We have seen huge difficulties being caused by the cost of exports, for example. Mr Finnie will know that for exports of prawns and crabs the Spanish, Italian and French markets were key—they were the valuable markets. Sadly, it has been a very difficult time.

I will be brief; I have no choice but to respond briefly. We work very closely with inshore fisheries groups and have excellent relationships with the vast majority of them. I think that the best way to manage fisheries is, in principle, to manage them locally, rather than from Edinburgh. How that would be set out in statutory form is an important question that I do not want to prejudge. Generally speaking, I think that the principle of local management is good.

Secondly, sustainable fisheries are at the heart of what we do. I have said before and say again that the work that I have ordered—with the full support of the fisheries sector—on installation of remote electronic monitoring equipment has the capacity to radically improve spatial management of fisheries, because we can tell where fishing vessels are. That can either convict or exculpate those who are accused of improper fishing practices.

Thirdly, we seek to use a wide variety of pilots. I do not want to stray into territory in which I might inadvertently comment on any matter that is sub judice at the moment, but we have a very good record of trialling various methods all around the coast, working with inshore fisheries groups and others who have an interest. That will continue to form part of our general approach.

I finish by saying that although there are some very controversial areas of contention, by and large we do not really hear about the vast majority of inshore fishing in which people live and let live—they coexist and they recognise different needs and different practices. We all want to ensure that inshore fisheries, which are highly regulated, are fished sustainably.

**John Finnie:** Thank you, cabinet secretary.

**Stewart Stevenson:** I will hand the convenership back to Edward Mountain, who is with us again.

**The Convener:** Thank you very much, Stewart, for jumping in.

**Angus MacDonald:** There is a need for a joined-up approach to all marine sectors. The fisheries management strategy is set out in the context of our wider blue economy action plan. What is the timescale for delivering the plan and how will it link to the fisheries management strategy?

**Fergus Ewing:** I agree with Mr MacDonald’s sentiment, so we have committed just over

£600,000 to our blue carbon research programme. That has levered in significant match funding from Scottish research institutes and partners. We are doing a lot of things to protect habitats through, for example, the marine protected area network. There is a lot more detail, but those are perhaps the two main points.

**Angus MacDonald:** Do you have detail on the timescale?

**Fergus Ewing:** On 21 September we designated the west of Scotland MPA. It is the largest MPA in national waters in north-east Europe, with an area of over 100,000km<sup>2</sup>. That locks in protection for deep-sea sediment, which has been shown to be an important blue carbon habitat. For many priority marine features we are seeking to build on existing protections from the impact of human activities, through the marine licensing process, by adopting proposals to introduce fisheries management in our MPA network. In all that, of course, we want to work with fishermen and with fisheries' interests to make sure that we are operating on a team-Scotland basis.

Before designating an MPA, we have a proper thorough and agreed analysis of the impact that the MPA might have, particularly on the inshore fisheries interests that have, after all, been there for centuries.

**Angus MacDonald:** We know that the fisheries management strategy commits to an

“ecosystem-based approach to management.”

What action does that approach entail? Following recent scrutiny of the climate change plan update, will consideration of blue carbon form part of the ecosystem-based approach?

**Fergus Ewing:** Management decisions should be taken not in isolation but in partnership with others. Decisions to fish a particular stock take account of environmental impacts; for example, impacts on the seabed and on species' dependence on particular fish stocks for their feed source, in an ecosystem. Put simply, we will take fisheries management decisions in partnership transparently, and we will take account of the best evidence and science in order to get the best outcomes.

**Mike Rumbles (North East Scotland) (LD):** Good morning, cabinet secretary. I would like to focus my question on fish farming. You will be well aware of our report on the regulation and future of fish farming. I want to focus first specifically on the issue of planning. When we reviewed the report, we felt that it was important to know that the problem was that, when local authorities receive an application for a fish farm, they have to in law, quite rightly, make the application decision on the

actual application. The committee's view was that that seems miss a strategic approach to identifying good places for fish farming as well as areas where it is not appropriate to farm fish. During the current parliamentary session, we got agreement on that but, when we reviewed it, there did not seem to be much happening. We are now facing an election in May and a new or renewed Government will come in, so how far have we got towards addressing the issue of a strategic approach to planning on fish farming?

**Fergus Ewing:** We have made significant progress but it is still a work in progress. The renewed Parliament will have a good legacy on which to build. We published a 10-year farmed fish health framework. We launched the salmon interactions working group. We have updated and I updated Parliament in 2019 on actions to strengthen sea lice management, lowering reporting and intervention levels to two and six adult female lice per fish from three and eight, with a further reduction to two and four in 2021 unless there is evidence to the contrary.

The Scottish Environment Protection Agency has launched a new framework and sector plan for finfish. In addition to that, we have made improvements to the planning system. I think that they went through the parliamentary process fairly recently, but there is more work to be done.

A great deal of work has been done on the fish health framework, which I think has taken things forward. It is important to stress that, as well as the Government, the industry has been investing substantially in improving fish health, with investment in hatcheries extending to hundreds of millions of pounds. Of course, that means the fish spend less time in pens out at sea and more time in hatcheries. That in itself is a significant gain.

Finally, convener—because I do not want to go on too long—we have banned the shooting of seals to control them, and we have published a review of the acoustic deterrent device spatial management issue.

I do not think that we have been sitting on our hands doing nothing but I acknowledge Mr Rumbles' point that there is more to be done, and we are working particularly on the spatial management issue and guidance to planners, which I think would be of further value. These are complex and difficult areas and my desire is to take as many people as possible with us in everything we do in this regard, which is not always easy.

**Mike Rumbles:** I accept what you are saying about all the initiatives, and good initiatives are and have been taken to change the regulatory system, for instance, with SEPA on specific issues. My question really is about the big picture.

It seems to me that the wheels are moving incredibly slowly. I assume that everybody on the committee wants to support the fish farming industry as best we can. We came to the view that the best way to do that was to take this strategic approach but the law does not allow it to happen at the moment. Will you be putting this in a legacy paper for a renewed Government or a different Government to take forward? Just as the Parliament is producing such papers for the new Parliament, I assume the Government will want to hand this over. It is not a party-political issue. It is really about trying to get the best result.

10:15

**Fergus Ewing:** It is not impossible that I might have some part to play in a new Government. I am certainly hopeful of that, but it is up to the electorate. My job is, as you say, to pass on a legacy.

I think that we have recognised that the pattern that Norway followed for the location of fish farms is increasingly the correct one. Namely, instead of having several thousand small pens, you have several hundred large pens, to put it bluntly. The fish pens are increasingly located in high energy areas, perhaps slightly further out to sea rather than inshore sea lochs, which have particular issues. That trend has been enabled by the lifting of the cap of 2,500 tonnes per pen.

There is more work to be done to develop the system by which we can have confidence in larger pens, such as those located near Rum, for example, where there are some examples that are in point.

The second point is that we have not seen the innovation sites go ahead. They are stimulated and encouraged in Norway because they are exempt from the system of charging for the issue of new licences by per 1,000 tonnes. The fee does not have to be paid for innovation sites and the justification for that is that they are trying out new methods of, for example, delimiting the discharge to the sea. There are some methods that I would like to see tried in Scotland.

So, yes, I want to leave a legacy of saying there is a better way. The Norwegian example gives us lots of pointers, although I am not saying it is perfect or that we can follow it—Norway is not Scotland and Scotland is not Norway. We can, however, look across the water, learn from others, and guide the planners and the planning system better, so that we can achieve sustainable growth without detrimental environmental impact. I think that there is a majority in Parliament for that approach, and that is the approach that I would like to bequeath to the renewed Parliament.

**Christine Grahame:** To some extent, the cabinet secretary has pre-empted the question that I was going to ask—and I must declare an interest as the convener of the cross-party group on animal welfare—about the reduction of sea lice in farmed salmon, which is a horrible disease. I appreciate that the cabinet secretary has said that Scotland is not Norway and vice versa, but given what he has just said about the Norwegian model, will that kind of thing be in the legacy paper for the incoming cabinet secretary? We wish to eradicate sea lice in farmed salmon as far as possible, for the sake of the welfare of the animals themselves if not also the consumer.

**Fergus Ewing:** I am not sure that it is possible to totally eradicate sea lice, but I have certainly set out tighter and strengthened sea lice management measures, so I think that we have acted there and that is a legacy.

I should say that I did not commit to doing a legacy paper. I am not sure whether ministers do that across the board. I have not committed to doing that, but I want to leave a legacy of work in progress.

We should also think about the health of the fish.

**Christine Grahame:** Yes!

**Fergus Ewing:** As Ms Grahame will know, it is a crime under the Animal Health and Welfare (Scotland) Act 2006 to cause unnecessary suffering to animals and that generally applies to farmed fish. One live question there is that seals can no longer be controlled and, when they approach or attack a cage, they can cause stress and anxiety to fish. We need to consider that, and one of the ways in which the industry is doing that is in the manufacture of pens. The manufacturers create separate little layby areas in the pens to which the fish can retreat to alleviate the stress they suffer. The industry is again using technological development to tackle admitted concerns about the health of the fish as well as of cetaceans, which is an important consideration.

**Emma Harper:** I have a couple of quick questions about food and drink. I am sure we that have some good news stories to tell about our businesses in Scotland. As the cabinet secretary knows, I am very supportive of local food and drink production and of promoting its provenance. I am keen to protect the protected geographical indication status of the fantastic food produced in Scotland. Cabinet secretary, when do you plan to publish the policy statement on food, and any other good news stories that you can tell us about food and drink in Scotland?

**Fergus Ewing:** I could tell lots of stories, but I do not think that I have the time. Our food production is of high quality and it is increasingly

produced sustainably. I think that it will provide opportunities for a premium.

The work will be led by the ministerial working group that I chair to ensure a cross-cutting approach. It is an iterative process that will take account of the Covid pandemic. The views of stakeholders are important and my officials have spoken to the Department for Environment, Food and Rural Affairs about stakeholder engagement, so we want it to be a broad approach.

As we have discussed, convener, the requirements to take immediate action because of the pandemic and indeed the alarming impacts of Brexit, have meant that this is where I have asked my officials to direct their focus. We will certainly publish the statement of policy on food as soon as we can. I cannot give a date today because, before we publish it, I think that it is important to make sure that there has been the widest buy-in and, as I say, I also want to involve DEFRA in that.

I think that it will take some time, probably for the next session of Parliament, convener, but I can double check and come back to members on that just to make sure. I did not anticipate that question coming up.

**Emma Harper:** I have a final quick supplementary. Apologies for asking a question that the cabinet secretary might not have been prepared for. I assume that, as we develop strategies for food production in Scotland, it will strengthen the local economies and local communities, so that we have a robust, local food production supply chain.

**Fergus Ewing:** Absolutely, and we work to help primary producers such as farmers and fishers to get the best possible deal from retailers and supermarkets. We have done a lot of very productive work on that. We also want to see primary producers enabled to sell directly online. I think that online is going to disrupt retail, not only in clothing, records and books but also in food—it is an on-going process. Farmers' markets need not just be located physically; there is potential there for them to be located online.

We also need to continue the success we have had in the food for life programme, to provide more locally produced food to our kids at primary school, in particular, so that they have a healthy diet. Above all, we want to value our farmers and fishers for the great work that they do. Goodness me, if they had not continued during the pandemic where would we be? Where would the food on our plate have come from? How would we have been able to keep going as a society? We owe them a great debt.

**The Convener:** The next questions come from Angus MacDonald.

**Angus MacDonald:** I turn to crofting. The committee was disappointed that the proposed introduction of a crofting bill in the current session was dropped as a result of the pandemic. However, it is clear that work continues behind the scenes, not least in looking at how to address the issues that were raised in the crofting law sump with a view to simplifying crofting law, which is long overdue.

We were expecting a national development plan for crofting to be published last autumn, but it does not seem to have been published as yet. What is the status of the national development plan for crofting? Which non-legislative reforms will it aim to address?

**Fergus Ewing:** The national development plan for crofting will be published in this session of Parliament. That has definitely always been my intention and I make it clear that, barring the unforeseen, it remains my intention. It aims to safeguard crofting for future generations, to build on the achievements of the past and to look at future opportunities, not least in respect of the environment and what crofters can do in areas such as peatland restoration, forestry and the sustainable conduct of livestock farming. The work that Martin Kennedy and Joyce Campbell are doing will include consideration of how we can create more opportunities for crofters, particularly active crofters. I hope that the plan will be published fairly soon, because there ain't much time left.

**Angus MacDonald:** We certainly look forward to seeing the plan in the next few weeks. What legacy would you say that the Scottish Government will leave on crofting reform? Where is the legislative reform process at? What are the priority next steps?

**Fergus Ewing:** I am particularly pleased that, in crofting, we have made it possible for so many crofters to secure a place of their own through the crofting agricultural grant scheme, which has been a success. I think that Mr MacDonald is well aware of just how successful that scheme has been; it has made more than 1,000 grants since 2007. That does not sound a lot, but it is quite a lot for many crofting communities.

As far as the proposed legislation goes, Mr MacDonald is correct—we had to suspend it because of Brexit and Covid. We had intended to proceed, and I very much regret that we were not able to do that in the current session of Parliament. I anticipate that we will do it in the next session of Parliament; I would certainly want us to.

The Law Society of Scotland has undertaken a good piece of work. I cannot go into detail, but I draw members' attention to it. There is a full report and summary available on the Law Society of

Scotland website, and I am grateful to the society for that. A lot of work has been done behind the scenes. That is a legacy that the next Government can use and gain from. It includes the work of the cross-party group on crofting and other pro bono advice from many crofting lawyers and experts. We will return to the issue, but I think that the development plan will be important, alongside the CAGS support, which is absolutely invaluable to crofting.

Finally, I am determined to do even more. As I mentioned, 100 crofters gain from forestry. Of course, not all crofting land is suitable for forestry, but I think that we can do a lot more, so I am working on that as we speak.

**Angus MacDonald:** That is good to hear—thank you.

**The Convener:** Before we move on, I have a couple of questions on crofting. The committee that produced the sump report was set up in 2013. We are eight years down the track from when it came up with all its conclusions. At the beginning of the session, the committee hoped that we would see some movement on the issue. How much longer do you think that it will be before the recommendations in the sump report are dealt with?

**Fergus Ewing:** This is just my personal view, because the matter is one for the next session of Parliament, but I very much hope that the sump issues, which we were and remain committed to tackling, can be tackled in the first or second year of the next session of Parliament.

What happens next will be up to Parliament in the new session. It is not for me to say what it must do, but I am offering my ideas. I talked about the “first or second year” of the next session; all those of us who have considered the issue understand how difficult it is to get a large consensus on reform in crofting areas. Previous experience in Parliament—I have 22 years of such experience—shows that, just when you think that consensus exists, somehow it slips through your fingers, as if you are trying to hold a glass of mercury. That is no criticism of anybody; it is simply an observation.

Therefore, I think that *festina lente* is a good watchword to bear in mind in crofting reform. That has proven to be the case so far, but it is not for lack of good will on the part of any party—the good will is there. I state seriously that I am very disappointed that we could not do it, but the legislative workload and burden on the Parliament as a result of Brexit and Covid speaks for itself. It is there. It is a matter of fact, I think. I do not think that anyone could gainsay that.

In addition, my personal view is that, if the Parliament were to stop choosing to debate ad

infinitum at stage 3 things that it has already debated at stage 2, we would have much more time to do more.

10:30

**The Convener:** It sounds as though you are making a pitch for the Presiding Officer’s role.

My problem with the crofting law is that, as someone who has worked on the crofting management side of it, I know that, to understand crofting law, you need to have about four law books open on the table at any one stage in order to understand which bit of crofting law is relevant. My abiding wish is that crofting survives into the future and has a prominent part to play, but my concern is that I do not believe that it can do that if it is necessary to have four law books open on the table to understand even the basics of it. Would you agree?

**Fergus Ewing:** That is an extremely fair point. I was previously the minister who led consolidation acts in bankruptcy, where exactly the same criticism was levelled. There was a plethora of legislation dating back to the Bankruptcy (Scotland) Act 1985, as I recall. Therefore, I think that it would be helpful if, in the next session, Parliament was able not only to deal with the sump and to legislate for that but, thereafter, if there is an opportunity, to have a consolidation bill, which would remove the issue that the convener rightly highlights.

**The Convener:** I hope that that would identify the really positive role that crofting plays in the countryside, not only with regard to farming and protection of the environment but in keeping people in the countryside and keeping communities going. I make that as a comment, on which I seek your agreement.

**Fergus Ewing:** Well, I agree up to a point, but law is words on a page. The programmes that we pursue and the action that we take are perhaps primarily what matter, but law plays a part. The law is a bit complicated at the moment, so the sump is the priority. I would like to stress that. If the opportunity arises in the next session of Parliament to introduce a consolidation bill, that would be fine. I should stress that the Scottish Law Commission has an important role to play here. It is not for me to pre-empt that role in relation to consolidation; I would want to hear from our legal advisers at some point.

**The Convener:** Emma Harper is next. You can ask two questions, so I ask you to choose them carefully.

**Emma Harper:** It is unfortunate that the best questions are those that are last to be asked. The women in agriculture task force gave evidence to

the committee on 9 December, which was a year on from the publication of its final report. A number of issues on which support was needed were highlighted: diversification, environmental schemes, organic farming, training and skills, and support for new entrants. What opportunities are you considering that would help women in agriculture to get further on and have further success?

**Fergus Ewing:** Thank you for the question. Of course, women are achieving great things in agriculture and no one more so than Joyce Campbell who, with me, co-chaired the women in agriculture group, which has produced a report that I think is of real practical value. You asked what opportunities there are. We are piloting a women's rural business creation programme, with a third of places being allocated to women in agriculture who wish to diversify their businesses. If successful, the programme could be widened, thereby empowering more women in the rural economy.

We have invested £100,000 in our women in agriculture practical training fund. Lantra, which has experience of training and skills in the rural economy, administers that fund, which supports all women in agriculture who want to develop new skills, including new entrants or young women in family businesses who—because farming increasingly involves so many different activities—might want to learn more about how to further upskill themselves. There are particular skills to be learned. We are also working with Lantra Scotland through the Scottish Government CivTech challenge process to sponsor the development of a skills sharing app by the company SkillSeeder.

Those are three practical things that we are doing, but I hope that, in the next session, Parliament can continue the implementation of the report of the women in agriculture task force, which points the way to further progress in empowering and enabling women to achieve even more in rural Scotland.

**Emma Harper:** I have one final question. I know that the “Be your best self” training programme has been delayed because of Covid. What work is being done across Government and local authorities to support early learning and ensure that child care provision in rural areas helps to support the advancement of women in agriculture. Could you give us a wee update on that, please?

**Fergus Ewing:** The “Be your best self” training pilot has been delivered to three groups of women in Scottish agriculture, and the online version of the workshop, which allows us to roll it out more widely and make it more accessible, has been successful. A new contract for the mainstream programme will be going out to tender in the near future, and I encourage all women who wish to

take part in the training to register their interest through the rural payments and services website. In addition, equality should be normalised within rural and agricultural policy, and I want to see that work continue as well.

**The Convener:** Emma, you indicated that you might have one further small question about childcare. Do you want to briefly ask that question?

**Emma Harper:** Sure. I would be happy to accept a written response, if that would be helpful from a time point of view. My question is about childcare provision in rural areas, which was highlighted as a challenge. The issue does not necessarily relate directly to the cabinet secretary's brief, because it covers other portfolios, but is childcare provision for women in agriculture continuing to be looked at?

**Fergus Ewing:** Yes. Research—[*Inaudible.*] Sorry, convener.

**The Convener:** I was going to say that if you wanted to provide a written response, I would have been happy with that, but if you want to give a brief answer now, that is fine.

**Fergus Ewing:** Briefly, research has been carried out with childcare providers. A report has been finalised that examines some innovative and flexible models of childcare, including outdoor provision and integrated services, which are practically orientated—[*Inaudible.*]

**The Convener:** This time, it is the cabinet secretary who has frozen. Is that right? Emma, can you hear me?

**Emma Harper:** Yes, I can.

**The Convener:** The cabinet secretary has frozen. I will make no comments about broadband in the Highlands, because I got ticked off by Angus MacDonald, who told me that it works very well in the islands.

On the basis that we are not going to get the cabinet secretary back, and on the basis that he does not have to answer questions on broadband any more, I would like to thank the witnesses for taking part in this evidence session. I ask Mr Burgess to pass on my thanks to the cabinet secretary, because he is likely to speak to him before I do.

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

10:38

*Meeting suspended.*

10:49

*On resuming—*

## **European Union (Withdrawal) Act 2018**

### **Sea Fishing (EU Exit) (Scotland) (Amendment) Regulations 2021 [Draft]**

**The Convener:** Welcome back. Item 2 is the sift of two Brexit-related SSIs. Members are invited to consider whether they are content with the Scottish Government's view that use of the affirmative procedure is appropriate for the Sea Fishing (EU Exit) (Scotland) (Amendment) Regulations 2021. Is the committee content with the parliamentary procedure that the Scottish Government has allocated for the regulations? I do not see anyone disagreeing, so we are content.

### **Trade in Animals and Related Products (EU Exit) (Scotland) (Amendment) Regulations 2021 [Draft]**

**The Convener:** Members are invited to note that mandatory affirmative status is applied to the Trade in Animals and Related Products (EU Exit) (Scotland) (Amendment) Regulations 2021. That is noted by the committee.

## **Subordinate Legislation**

### **Sea Fishing (EU Exit) (Scotland) (Amendment) Regulations 2021 [Draft]**

### **Trade in Animals and Related Products (EU Exit) (Scotland) (Amendment) Regulations 2021 [Draft]**

### **Rural Support (Controls) (Coronavirus) (Scotland) Regulations 2021 [Draft]**

10:50

**The Convener:** Item 3 is consideration of two affirmative instruments and one made affirmative instrument. The committee will take evidence on the instruments, and the motions seeking approval of them will be considered under items 4, 5 and 6.

I welcome from the Scottish Government Ben Macpherson, Minister for Rural Affairs and the Natural Environment; Lynne Stewart, head of direct payments; Andrew Crawley, lawyer; Jesus Gallego, head of agriculture and rural economy in the EU exit unit and deputy chief veterinary officer; Keith White, lawyer; Owen Griffiths, Marine Scotland legislation manager; and Lucy McMichael, lawyer. I think that Lucy has joined us; if not, she may still be having problems with her internet connection.

Minister, would you like to make a brief opening statement on the Sea Fishing (EU Exit) (Scotland) (Amendment) Regulations 2021? I will then ask members to ask any questions on those regulations.

**The Minister for Rural Affairs and the Natural Environment (Ben Macpherson):** Good morning, convener. I thank the committee for taking the time to consider these important regulations.

The Sea Fishing (EU Exit) (Scotland) (Amendment) Regulations 2021 make a technical amendment to the Sea Fishing (Illegal, Unreported and Unregulated Fishing) (Scotland) Order 2013 to reflect amendments that a UK Government statutory instrument, namely the Common Fisheries Policy (Amendment etc) Regulations 2021, has made to retained Council regulation (EC) No 1005/2008, establishing a community system to prevent, deter and eliminate illegal, unreported and unregulated fishing—that regulation is known as the IUU regulation—thereby facilitating access to the market within Great Britain of qualifying Northern Ireland goods.

The amendment is necessary to clarify that it is an offence to import fishery products into Scotland without a validated catch certificate in circumstances where such a certificate is required

by virtue of article 12 of the IUU regulation. The presentation of a valid catch certificate, subject to certain exceptions, is required when fishery products are imported into Great Britain. The amendment made by the regulations reflects that it is not an offence to import fishery products into Scotland without a validated catch certificate where those fishery products constitute “qualifying Northern Ireland goods”. That term is defined in another UK Government SI—the Definition of Qualifying Northern Ireland Goods (EU Exit) Regulations 2020. The amendment that the regulations that are in front of the committee make to the 2013 order therefore facilitates unfettered market access to the GB market for certain fishery products.

Returning to the interaction with the UK SI for a moment, I am bound to inform the committee that there has been some slippage on the UK Government’s timetable. The UK SI was to have been laid last week, but unfortunately it was held over, and DEFRA does not yet have a confirmed new laying slot or date for its coming into force. It is essential for our SSI that the UK legislation is in force before 1 June, which is the coming-into-force date that we have provided for. We await further updates, but if the UK SI’s coming-into-force date is going to slip beyond 1 June, we will be forced to withdraw the instrument that is before the committee today.

That is obviously regrettable and I am sorry that I am unable to provide the committee with more certainty, but that is out of the Scottish Government’s hands. We will update the committee as soon as we have more information from the UK Government.

**The Convener:** Thank you, minister. I have not seen any committee member indicate that they want to ask a question on those regulations, so I now ask you to make a brief opening statement on the Trade in Animals and Related Products (EU Exit) (Scotland) (Amendment) Regulations 2021. I believe that members will have some questions on those regulations.

**Ben Macpherson:** I thank the committee for taking time to consider the Trade in Animals and Related Products (EU Exit) (Scotland) (Amendment) Regulations 2021. The purpose of the regulations is to create a power that will allow the Scottish ministers by regulation to impose special import conditions in respect of imports from third countries of products of animal origin that are intended for human consumption, having regard to the animal health situation of the third country or countries concerned. They mirror the function of the Commission under article 8(4) of Council directive 2002/99/EC and may amend, modify or revoke any retained direct minor EU legislation made under that power.

Importantly, the regulations exist solely to create the power, and further legislation will be required if we want to make use of it. Retained EU law does not otherwise contain the power to make legislation of this type, which the Commission had under the EU directive. On that basis, it is considered appropriate that ministers should have the power to deal with situations where they may want to impose special import conditions on products of animal origin from third countries because of the animal health situation there. Special import conditions could be introduced for the purpose of protecting public health or animal health on the basis of scientific evidence and risk. That approach has also been adopted by other Administrations in order to ensure a consistent GB-wide approach.

I trust that that provides members with sufficient assurance as to why the changes are being made and why the Scottish Government considers them necessary. However, my officials and I are happy to answer any questions that the committee may have.

**The Convener:** Thank you, minister. Members have some questions on the regulations. We will start with Emma Harper.

**Emma Harper:** I have previously raised issues to do with food safety and especially importation from countries outside the EU. I am concerned about, for instance, hormones and use of antibiotics. Is the purpose of an import condition only to provide an appropriate level of assurance that standards have been met, rather than to set the standards?

**Ben Macpherson:** Shall I respond, convener?

**The Convener:** Sorry, minister. Rather than my adding another layer of checks and balances, which stops the flow, I am happy for you to come straight in when a question is put to you.

**Ben Macpherson:** Thank you, convener, and I thank Emma Harper for that question. Alluding to my opening statement but adding to it, I note that it could be either or both. We wish to provide assurance that standards have been met, and that is in itself a possible import condition as we may require that a particular step or measure has been taken in relation to the food product. In summary, it could be either or both.

11:00

**Emma Harper:** Thank you for that clarification. It is interesting that we have special import conditions, which might be distinct from normal or general import conditions. In the EU context, is that to add additional import requirements on the basis of risk so that we can have satisfactory assurance that standards have been met?

**Ben Macpherson:** The special import conditions that are at issue here are ones that have been made under article 8(4) of Council directive 2002/99/EC, which I mentioned in my opening statement and which form part of retained EU law. The purpose of the regulations is to provide a way by which those conditions may be amended, modified or revoked by subordinate legislation, given that the power to make them came from a directive that does not form part of retained EU law.

The power cannot be used to amend, modify or revoke any other import conditions that form part of retained EU law. They will be based on an assessment of the specific risk that is posed by, for example, products from a certain country. They may apply in addition to or instead of the general requirements for the same products from other countries, and are better described as being more appropriate to the specific circumstances, rather than being stricter. Where the risk assessment demonstrates a reduced risk, the special import condition may revoke an unnecessary import condition—for example, after an outbreak has been controlled.

I hope that that gives Emma Harper the reassurance that she asked for.

**Emma Harper:** It does. Thank you, minister.

**Peter Chapman:** Minister, the power exists in the context of providing additional assurance that imported products meet the EU standards. However, could the new power be used to allow the import of products that do not meet the current GB standard, as opposed to being an additional safeguard to ensure that products meet it?

**Ben Macpherson:** The intention is to make sure that we maintain our high standards here in Scotland and in GB as a whole. Could you add a bit more detail on that point, Mr Chapman?

**Peter Chapman:** The concern, as I understand it, is that we may follow EU standards rather than GB standards. Would the regulations allow that? In many cases, GB standards are actually higher than EU standards, contrary to what many people would have us believe.

**Ben Macpherson:** The power cannot be used to lower the standards that are applicable as a matter of law within Great Britain to products of animal origin for human consumption generally. It can be used only to amend, modify or revoke import conditions that are made under the powers of article 8(4) of directive 2002/99/EC.

**Peter Chapman:** Fair enough. You have possibly answered my final question, but I will pose it and you can agree or disagree. Can an assurance be given that the new power will not be

used to relax a general import condition, but only to relax an existing special import condition?

**Ben Macpherson:** Yes. The power may not be used to amend, modify or revoke anything other than what is already, in retained EU law, a special import condition made under article 8(4) of Council directive 2002/99/EC.

**Stewart Stevenson:** I have one question as a result of what we have heard. It is a technical question that relates to the frozen meat decision, 2005/72. That decision was made under article 8(4), which we have been talking about, but it does not refer to that. Does the Scottish Government consider that that decision is covered under article 8(4)? If so, why is that, given that the Commission decision does not appear to make that reference?

I realise that that is a technical question. It may be one for an official, rather than the minister, to answer.

**Ben Macpherson:** I did not quite hear the beginning of Mr Stevenson's question, but I hope that I can give the answer that he is looking for. Commission decision 2005/72 was originally made under Council directive 9465/EC. When that was repealed by directive 2004/41/EC, provision was made for it to continue in force as made under article 8(4) of council directive 2002/99/EC. I do not know whether Jesus Gallego wants to add anything on that.

**Stewart Stevenson:** Minister, you have answered the question. We do not need to pursue that further.

**Jamie Halcro Johnston:** I have a number of fairly quick questions. First, why is the list of examples of special import conditions provided by the Scottish Government different from that provided on the European Commission's website?

**Ben Macpherson:** The list provided is of special import conditions that have been made under article 8(4) of Council directive 2002/99/EC and form part of retained EU law. It does not include any measures that are in place as a matter of retained EU law, but includes those that have been made under different powers and that cannot be amended, modified or revoked by that power.

**Jamie Halcro Johnston:** Okay—thank you for that, minister. Does the United Kingdom Internal Market Act 2020 have a bearing on whether special import conditions imposed by the Scottish Government would be effective in relation to products of animal origin that are put on the market in Scotland after having first been imported into another part of the UK?

**Ben Macpherson:** As you know, the Scottish Government's position is that it maintains that the United Kingdom Internal Market Act 2020 is

fundamentally inconsistent with devolution. Centralising control in the UK Government and the UK Parliament and cutting across devolved powers by imposing new domestic constraints means losing the benefits of variations in approach to reflect consumer preferences and health and environmental considerations in Scotland, and the advantages of high-quality regulation of meat and fish products.

The United Kingdom Internal Market Act 2020 allows the lowering of standards because, under the market principles, Scotland would be compelled to accept standards set by other Administrations in the UK, regardless of the views and decisions of the Scottish Government and Scottish Parliament. Even where the Scottish Parliament and the Scottish ministers wish to maintain alignment with EU standards, the 2020 act risks undermining those devolved policy choices and, in some case, would force us to accept lower standards set elsewhere, if those lower standards were set elsewhere. It has the potential to have an effect.

**Jamie Halcro Johnston:** I am sorry, but I did not catch the last part of that, minister.

**Ben Macpherson:** It has the potential to have an effect.

**Jamie Halcro Johnston:** As has been mentioned, there could be divergence. It could be that we are in line with EU standards but not necessarily in line with wider UK standards. What consultation or discussions have there been with the UK Government and with stakeholders in Scotland that might be impacted by any divergence from the standards in the rest of the UK?

**Ben Macpherson:** At the moment, given the on-going challenge to the UK Government and the Scottish Government of aligning our regulations following EU exit with the different considerations that EU exit creates, the rationale for the legislation before us today and the process that the UK Government is also involved in is, of course, to set the legislation. Whether there is divergence is a matter to consider in due course. Of course, we would hope—we would implore—the UK Government to uphold high standards, but the challenges will come if there are divergences as a result of trade agreements or different policy decisions in different parts of the UK.

**Jamie Halcro Johnston:** If there is divergence and the powers are used, will that require any consultation or engagement with stakeholders in Scotland that might be impacted?

**Ben Macpherson:** In general terms, or in relation to these regulations?

**Jamie Halcro Johnston:** In general. If the powers were to be used—obviously, there will be different ways in which they could potentially be used—would you be required or committed to engaging or discussing that with stakeholders?

**Ben Macpherson:** I would be grateful if Jesus Gallego could come in at this point and comment on the process.

**The Convener:** I am glad that you are bringing him in, minister, because I apparently completely mispronounced his name, which shows a complete lack of understanding of the right way of doing it. I am not going to try to correct myself, but ask that he accepts my apologies.

**Jesus Gallego (Scottish Government):** Of course, convener.

The power is confined to import conditions that are made following scientific advice and a risk assessment, which involve a degree of consultation on already available information and evidence, or evidence that is gathered at the time.

When the changes potentially affect food safety, Food Standards Scotland has a statutory obligation to consult anyway. When they are on purely animal health requirements, we would follow our normal parliamentary handling procedures for developing legislation, because the power does not make any immediate changes; it gives us the power only to introduce legislation later.

I add that the scope is limited to those pieces of legislation made under article 8(4) and is subject to scientific advice and risk assessment.

**Jamie Halcro Johnston:** Thank you—that is very helpful.

**The Convener:** As no other member wants to ask any further questions on the Trade in Animals and Related Products (EU Exit) (Scotland) (Amendment) Regulations 2021, I ask the minister to make a brief opening statement on the Rural Support (Controls) (Coronavirus) (Scotland) Regulations 202.

**Ben Macpherson:** I thank the committee for making the time to consider these regulations today, too. The regulations were laid using powers conferred by the horizontal regulation that has been incorporated into domestic law. They will provide a necessary temporary derogation from the requirement for the verification of all eligibility conditions to be completed before scheme payments commence.

Due to the coronavirus pandemic, on-the-spot checks have been suspended. We cannot be sure when those checks will restart. The effect of the derogation is that payments to beneficiaries may be made, for the schemes covered by the

derogation, after the administrative checks have been finalised. That will enable us to make payments timeously before completing physical on-the-spot checks.

Unless the regulations are approved and brought into force by 31 March, we will not be able to make our 2020 claim year voluntary coupled support payments in April and May, as scheduled.

The suspension of on-the-spot checks is adding to a backlog of inspections, creating a delay in the remainder of the inspections programme. In order to prevent that delaying payments that are due later this year, the same derogation is applied to designated direct payment schemes and the less favoured area support scheme.

For those reasons, the regulations are considered to be a necessary and justifiable response to an emergency caused by the on-going pandemic.

My focus is to continue to support our farmers and crofters to ensure that payments can continue to be made to them on time for claim years 2020 and 2021, while adhering to the coronavirus restrictions for the safety of our officials, farmers and crofters. I am happy to take any questions that the committee has.

11:15

**The Convener:** Thank you, minister. As no member wishes to ask a question on the regulations, we will move on to the formal consideration of the motions relating to each of these instruments.

Item 4 is consideration of motion S5M-24228, in the name of the minister. Do you wish to make any further comments, or are you happy with the comments that you have made?

**Ben Macpherson:** I have no further comment, convener.

*Motion moved,*

That the Rural Economy and Connectivity Committee recommends that the Sea Fishing (EU Exit) (Scotland) (Amendment) Regulations 2021 [draft] be approved.—[*Ben Macpherson*]

*Motion agreed to.*

**The Convener:** Item 5 is consideration of motion S5M-24226, in the name of the minister. I ask you to move and speak to the motion, if you wish to make any comments.

**Ben Macpherson:** I simply thank members for their questions.

*Motion moved,*

That the Rural Economy and Connectivity Committee recommends that the Trade in Animals and Related

Products (EU Exit) (Scotland) (Amendment) Regulations 2021 [draft] be approved.—[*Ben Macpherson*]

*Motion agreed to.*

**The Convener:** Item 6 is consideration of motion S5M-24227, in the name of the minister.

*Motion moved,*

That the Rural Economy and Connectivity Committee recommends that the Rural Support (Controls) (Coronavirus) (Scotland) Regulations 2021 (SSI 2021/72) be approved.—[*Ben Macpherson*]

*Motion agreed to.*

**The Convener:** That concludes our consideration of the three Scottish statutory instruments. I thank the minister and his officials for attending the committee to talk to the instruments.

I suspend the meeting until 11.25 to allow a changeover of witnesses.

11:18

*Meeting suspended.*

11:25

*On resuming—*

## Construction and Procurement of Ferry Vessels

**The Convener:** Item 7 is on the construction and procurement of ferry vessels in Scotland. I welcome to the committee Paul Wheelhouse, Minister for Energy, Connectivity and the Islands; Chris Wilcock, head of ferries unit, Scottish Government; and Tim Hair, turnaround director, Ferguson Marine (Port Glasgow) Ltd. Minister, would you like to make a brief opening statement?

**The Minister for Energy, Connectivity and the Islands (Paul Wheelhouse):** I will keep this brief. Good morning to you and colleagues. I welcome the opportunity to address the committee today in my capacity as Minister for Energy, Connectivity and Islands. I would like to take the opportunity to thank committee members for their detailed consideration of what the committee's report clearly acknowledges are broad-ranging, complex and important issues.

As the minister with responsibility for Scotland's supported ferry services, I reiterate our commitment to our lifeline ferries across both networks and the communities that they serve. I would like to begin by recognising the significant effort that goes into the delivery of ferry services in Scotland, particularly during recent months, with a focus on the response to the Covid pandemic, in which staff have to balance the need to both connect and protect island communities. With your permission, convener, I thank all those staff who were involved across both ferry networks, and indeed other networks that we do not operate directly, for keeping Scotland's communities connected and keeping our ferries operating during this very tough period.

However, I recognise the need for continuous improvement. I have now said several times that I share the committee's ambition to identify and address future challenges and opportunities in the procurement and operation of vessels for the Scottish ferry networks.

The committee has specifically asked for an update on the timetable for completion of vessels at Ferguson Marine (Port Glasgow) Ltd. As noted in my response, we are still working to the timetable and costs as set out in the turnaround director's report of August 2020. However, we will undertake a further review in the coming months, which will include consideration of the further impact the Covid pandemic has had on the timescales. The committee and communities are keen to have an update on costs and the programme for the vessels, but I am sure that the

committee will understand the reason for the timing of that more detailed work.

To ensure that we give as much helpful information to the committee as possible, I felt that it was important to have Mr Tim Hair in attendance today to answer any more detailed questions that you may have. I thank the committee for accepting that offer to have Mr Hair with us today. I am happy to address the committee's questions, as are my colleagues, as best we can.

**The Convener:** Thank you, minister. The first questions are from Mike Rumbles.

**Mike Rumbles:** Thank you for coming to the committee today, because this is the first opportunity that we have had to question you outwith the debate in the chamber on our inquiry report that looked into vessels 801 and 802.

Caledonian Maritime Assets Ltd has just launched a 10-year small vessel replacement programme. Considering that the committee unanimously—and I mean unanimously—took the view in our report that CMAL was “not fit for purpose” why should anyone have any confidence in CMAL's plan?

**Paul Wheelhouse:** Clearly, the small vessel replacement programme is a critical programme for the communities that it serves. We are looking to replace eight loch-class vessels as part of the programme. This dates back to the 2018 ferries plan and a commitment that we had made previously to replace those vessels. It is very important we get that work under way now. I recognise that, as we debated in the chamber—I am not going to revisit that—we do not necessarily agree with every finding in the report, but we recognise that there are lessons to be learned from the delivery of vessels 801 and 802. I acknowledge the concerns that Mr Rumbles and others have expressed about how that has unfolded over time. We clearly want to learn those lessons. We are in the process of commissioning a tripartite view, which was debated in chamber recently, and we have expressed our keenness to make sure that that exercise looks at such matters for the future.

11:30

Rather than delay the procurement of the small vessel replacement programme, we are getting that under way. We feel that it is important to get that work started. For the communities that are served by those vessels, I hope that Mr Rumbles understands why. I assure him that we are clearly learning lessons from vessels 801 and 802. Additional steps, which I can go into if it would be helpful, have been taken to ensure that the procurement of vessels learns important lessons from the committee's report and indeed our own

exploration of what did not work well during that process.

**Mike Rumbles:** I can understand the point of view that you have just expressed, which is that you do not want to revisit the debate. I do not want to revisit the debate either, but there are issues that the committee addressed and identified in our report. Obviously, you did not agree with it in the debate, but I come back to the question. I am not trying to make political points here. I am simply trying to get this right for the future. Every member of the committee was concerned that the mistakes that were made by CMAL—among other organisations, but particularly by CMAL—on vessels 801 and 802 might be repeated in the procurement programme.

You said that lessons will be learned but—forgive me for saying so—that is a generalisation. It does not address the specific issues that we had. I am not identifying any individuals; I am talking about the organisational process here. I hope that we are not doing so, but are we not just going ahead as normal? That is my worry.

**Paul Wheelhouse:** I recognise that concern. For what it is worth, I recognise that you are not making party-political points. I appreciate that you and other committee members are doing your job as diligent members to try to make sure that we implement any lessons that we have learned and that we do not repeat the mistakes that have been made in the past.

To try to reassure you, I say that CMAL has already committed to improving its own processes in this area—irrespective of what happens in the tripartite review, I should stress—including introducing additional financial diligence and the use of additional naval architectural specialists to consider the abilities and track records of the yard or yards that are contracted to undertake any contracts that come through the small vessel replacement programme. The overall procurement strategy for the vessels will be developed as part of the programme, including a focus on how to ensure that they are delivered as efficiently as possible and to address the concerns that the committee has raised through the report.

Our first independent assurance review of the small vessel replacement programme has been undertaken and further formal gateway reviews will be undertaken at key milestones during the course of the programme. I hope that that gives some reassurance to Mr Rumbles. I am happy to try to address any questions that go beyond that as best I can.

Extra checks and balances are being put in place, as we would acknowledge some of the concerns about the capability of Ferguson Marine (Port Glasgow) Ltd—as constituted under its

previous management—to deliver contracts 801 and 802. We are trying to learn from that by doing additional diligence on the technical capability and track record of contractors before we commission work with yards. We can talk more about that if that would be helpful.

**Mike Rumbles:** I am conscious of time and I know that members may wish to come in, so I will leave it there.

**Peter Chapman:** Good morning. I have some further questions. You have mentioned the review. In the debate on 2 February, you dismissed the unanimous view of the committee of the need to change the organisational structure. Instead, you relied on an upcoming review to provide recommendations. What is the remit of the review? What will it cover and what will it not be allowed to look at?

**Paul Wheelhouse:** I am not aware of anything that we specified that cannot be looked at, but I can bring in Chris Wilcock in case there is anything that I am unaware of.

I appreciate there was quite a heated debate in the chamber on the committee report, but I want to respond to the point that Mr Chapman has made in case there is any sense that we have not reflected on the issues. We are implementing many of the recommendations, as I think I acknowledged in the chamber. We had differences of views on some specific recommendations, as can happen with any report that is produced by anybody, not least Parliament. I hope that that does not take away from the fact we have taken very serious recognition of some of the key points that have been raised by the committee. Obviously, we are trying to address those.

We are at a quite advanced stage of commissioning the review. We are going through the final stages of appointment of the consultants for the review. We are through the standstill period now. I believe that there is an initial meeting on the appointment process later this week. Once that is over with, award letters will be signed and we can talk more openly about who the contractors are. We anticipate that the work will complete later this year, so we expect it to take six to nine months. After considering any recommendations, we would of course act on any immediate issues that could be addressed at an interim stage in the production of the review, so we would not have to wait for the full nine months.

The consultant team will include experts with a focus on governance and transport in the public and private sector from around the world. Transport Scotland will work with the consultants to develop any wider engagement that is required and can look at whether further expertise, with experience in operating external models, is

appropriate. A significant focus of the work will be reviewing the technical and legal structures around the existing arrangements, considering whether the original reasoning for setting up the bodies in 2006 still applies and whether they remain fit for purpose, and identifying any new options that may be available now.

Although I know that it is a very technical study, we have also asked Transport Scotland to consider the role that bodies such as the CalMac community board could play in engaging with the work.

To address the points that have been made by Mr Chapman, I invite my colleague Chris Wilcock to say whether there is anything that is out of scope in the study that I am not aware of.

**Chris Wilcock (Scottish Government):** I confirm what the minister said. The scope is pretty wide ranging. We will start from that technical standpoint to see whether the structures as they are and the reasons why we put them in place in the first place still stand, to see whether that defines any parameters for us. We will look to see whether they are fit for purpose and whether there are amendments to them that we could make in the longer term.

We will be meeting the consultants on Friday, and we will then be able to set out in more detail what we might see at an interim stage in the way of early lessons to be picked up. To pick up Mr Chapman's point, the scope is wide ranging. From my recollection, I do not think that we have said to the consultants, "This is off limits." It will include a review of the role of all three organisations that are involved in the tripartite arrangement and a very detailed look at how we can improve those processes.

**Peter Chapman:** You will be aware that, as a committee, we were very critical of CMAL and very critical of the complex tripartite way of making decisions. Just for clarity, will it be within the remit of the review to recommend that CMAL be scrapped? Can the review go as far as that, if that is what it finds?

**Paul Wheelhouse:** I understand why you are asking that question. Rather than respond in a direct way, I do not want to prejudice anything that the consultants will look at. They have the initial meeting coming up with this week with Transport Scotland to set the ball rolling. They may well come forward with recommendations about the future structure of the current organisation, based on their expertise and experience. I do not want to channel the review down a particular direction. We will take those recommendations and consider them, so I do not want to prejudge or pre-empt anything. Certainly CMAL recognises the concerns that the member outlined.

CMAL has already taken a number of steps on due diligence for all contracts of a value of more than £500,000. That includes working with credit reference agents and credit rating agencies to ensure that the financial health of a business is comprehensively assessed before CMAL contracts with it and taking new steps on pre-qualification and invitations to tender. CMAL will advise any future bidders that, should there be an unwarranted withdrawal of any material element of a bid, such as a bank guarantee, which is obviously critical in terms of the financial stability of a bidder, the bidder will simply be removed from the procurement process. Those are new steps that have been put in place.

CMAL is also engaging the services of a ship broker to enhance its understanding of shipyards, including their track records, skills and competences in producing first-class products, and it will introduce additional levels of assurance for full tender assessments by engaging the naval architect companies that I mentioned earlier.

Irrespective of what the study finds, we are already trying to address many of the concerns that were raised by the committee. I say that to reassure Mr Chapman and others that we have been listening, as has CMAL, and trying to put in place steps to give additional assurance. If the study makes recommendations about restructuring, we will look closely at those, but I hope that Mr Chapman understands why I do not want to give any steer at this point. I want it to be genuinely independent and objective and to come forward with what the consultants recommend is the best structure to achieve our objectives.

**Peter Chapman:** Thank you.

**Colin Smyth:** Transport Scotland and the Scottish Government are part of the tripartite agreement. You have talked quite substantially about the role that Transport Scotland will have in this review. Surely we need a completely independent review of the arrangement, not something that Transport Scotland seems to be leading on.

**Paul Wheelhouse:** I can certainly understand where Mr Smyth is coming from. I appreciate that the Government has to contract with external advisers. The report produced for ministers will be genuinely independent. Ministers obviously cannot predetermine the outcome of the review or, in advance of an election, predetermine which ministers will be making the decisions. I am confident that the study will be done with a high degree of professionalism by the consultants independently of Government—either Transport Scotland or ministers. That is why I am being very studious not to give any kind of steer whatsoever. I am trying to make sure that it is an independent exercise that makes recommendations based on

what the consultants think is the optimal structure to address our on-going needs for ferry procurement and operating our ferry network.

I understand why Mr Smyth would ask that legitimate question. All I can say is that I will do everything that I can—and I am sure that the Government will do everything that it can—to make sure that the exercise is objective, independent and does the job that we need it to do to give us clear guidance on the best structure to address the needs of Scotland's ferry networks.

**John Finnie:** Can you explain why CMAL has launched the small vessel replacement programme before the publication of the islands connectivity plan or the next vessels replacement and deployment plan? Does that not potentially limit the scope of the new plans, pre-empt the results of public engagement and undermine efforts around issues such as vessel standardisation?

**Paul Wheelhouse:** Again, that is a fair question, which I inadvertently started to address earlier in response to a different question. The small vessel replacement programme was referenced back in 2018 in the current ferries plan, when we set out an indicative vessel replacement programme, which included replacing a number of small vessels during or soon after the life of the plan. All those identified vessels remain in the fleet as of today, so that objective has been identified in the latest draft VRDP report, which we are starting to share with stakeholders. The small vessel replacement programme will seek to address that objective specifically. I will check with Mr Wilcock, but I believe that eight loch-class vessels require to be replaced over a period of up to 10 years. That will help to build a pipeline of investment and build on the current tripartite vessels project for the Clyde and Hebrides network.

11:45

On the standardisation point, the vessels that we have at the moment are largely interoperable, and we intend to enhance that interoperability through a more standardised design and a higher level of standardisation in the new programme. I want to make the point that the small vessel replacement programme is still at a very early stage of development, and it will still be some time before it goes to tender. As it develops, the process will certainly include engagement with the key stakeholders and the communities that are affected by the vessels, and it will include learning from the process that we have started to deploy in the procurement of the Islay vessel.

To pick up on the point about standardisation again, we do not think that the programme undermines efforts around vessel standardisation.

We are looking at procurement of a series of vessels in which similar specification and equipment can be maximised. Hopefully it will be an early win in an approach to standardisation, in which perhaps there is less of an issue around standardisation of the harbours or facilities that the vessels need to use. It might give us an early opportunity to explore the benefits of standardisation in terms of crew training, standard parts and potentially improvements in fuel efficiency and other areas, which we can take forward in the design of other vessels.

I hope that I have addressed Mr Finnie's questions, but if I have not, please come back to me.

**John Finnie:** I would not want to give the impression as a representative of the Highlands and Islands—as the convener is—that we are not delighted to hear about new vessels.

What about the notion that this is a very timely distraction for CMAL? We should have a rolling programme of replacements anyway. Could you comment on that, please?

**Paul Wheelhouse:** From my point of view, that has not been a motivation in any way for CMAL or Transport Scotland. Smaller vessels take less time to build and procure. There are potentially early wins through which we can get improvements to address things like fuel efficiency. We are looking at opportunities across the fleet for decarbonisation, and smaller vessels on shorter routes are easier to decarbonise than bigger vessels doing more ocean-going work, which require more advanced propulsion options.

There are a number of reasons why the need for the small vessel replacement programme had been identified in the ferries plan back in 2018. The programme is attractive now and it may provide an opportunity to build an early pipeline of projects that can help to support the supply chain.

There are a number of reasons for the programme. If I thought that it was a distraction, as Mr Finnie described it, I would acknowledge that point, but that has not been part of my motivation. We are keen to get the Islay vessel procured as another early win. We have committed £580 million in the infrastructure investment plan and we can give more detail, if that would be helpful, about what that is intended to do. The small vessel replacement programme is part of the £580 million that we have announced.

**The Convener:** Minister, we are quite a long way into this session and we are still very short on questions being answered. Could you speed up your answers, please?

**Paul Wheelhouse:** Apologies.

**John Finnie:** I will make this brief. Will changes in state aid rules as a result of leaving the EU influence the Scottish Government's approach to vessel procurement? Do you intend to do competitive tendering for such contracts? I hope not. My preferred option would be the direct award of small vessel contracts. Can you comment on that, please?

**Paul Wheelhouse:** I recognise that this is a long-standing issue for you and that you are passionate about supporting the supply chain. Following the transition period, we are currently working to understand the various impacts of the new subsidy control rules, as they are known, which were introduced—and I stress this—without prior notice to the Scottish Government on an interim basis on 1 January this year.

The UK Government department with responsibility for the new rules is the Department for Business, Energy and Industrial Strategy. It is currently holding a consultation exercise, which is due to close at the end of this month, on how the new rules should be applied for the longer term. Officials were given no prior notice of the detail or timing of that exercise either, but we will feed into that and make sure that we contribute fully to the consultation before the end of this month. Given that purdah will be kicking in before the Scottish Parliament election, we will try to beat that deadline if we can.

Officials are working very hard to try to gain clarity on the new rules and the various impacts and subsidies and how they relate to ferry services and procurement opportunities. We are in a bit of a hiatus as we do not know exactly what the rules are. However, given the urgency of investment for the Islay vessel, we are intending to go ahead with an invitation to tender on the Islay project, as we believe that we cannot afford to delay that.

It is worth stating—this might be something that Mr Hair wants to reflect on in his contributions—that we know that Ferguson Marine (Port Glasgow) Ltd has two major vessels to produce at this time, so there is no immediate capacity at the yard, but it might still be able to tender for that exercise. That is a matter that Mr Hair and the management of Ferguson Marine (Port Glasgow) Ltd would have to consider at the time. We are very mindful of the need to look at whether we can directly procure vessels. I give a guarantee to Mr Finnie that, once we have clarity on state aid subsidy control mechanisms, we will be looking at that.

**John Finnie:** There are lots of questions that I would like to ask, but I appreciate the restraints of time, so I will hand back to you, convener.

**The Convener:** I will try to bring you back in at the end, if there is time.

**Stewart Stevenson:** My questions are directed at Mr Hair. The minister has just said that, presently, there is not the capacity in the yard to take on significant new work. When might the yard be ready to go to the market and look for new work—in particular, Government work, but also work elsewhere? Are you confident that you have the people and the structures in place to be able to make successful bids and carry them forward?

**Tim Hair (Ferguson Marine (Port Glasgow) Ltd):** Our working assumption is that we will have to win the next vessels on commercial terms. I know that that goes back to the previous subject, but it is probably worth saying. As things stand, the capacity in the yard is fully allocated to finishing off vessel 805, which is the work boat for aquaculture for Inverlussa Marine Services. We will deliver that in April. The capacity is then fully allocated to vessels 801 and 802.

In the spring to summer period of next year, we will have capacity available to start on the next vessel, and we are actively out in the market to try to find the next vessel. That will potentially include tendering for anything that CMAL has if we think that its timescales fit our capacity and we have the capability to do the kind of job that it would rightly expect.

**Stewart Stevenson:** That—[Inaudible.]—will be spring or summer next year when significant capacity will become available at the yard. Two questions come from that, which I will ask together. First, is that it in terms of work, assuming that vessel 805 is complete very shortly? Secondly, and more to the point, in your experience, how long does it take from the point at which you get engaged in an invitation to tender or in a process preceding that until you are able to start cutting metal in the yard? Is it a year? Are we within a timeframe that means having space available in early or mid next year that positions you well for new contracts for the Government or, indeed, elsewhere, whether they be on commercial or allocated terms?

**Tim Hair:** Can you hear me?

**The Convener:** We can hear you.

**Tim Hair:** I am sorry; I am less practised at online meetings than you are.

The speed of the process varies among potential customers. Obviously, several months of detailed design work need to be completed before steel is cut. Our working assumption is that we are active in the market now and that we will need to sign the contract for the next vessels towards the latter part of this year. That will put us in a position to be cutting metal when manufacturing becomes available in spring to summer next year.

**Stewart Stevenson:** My final question comes out of what you have said. Are there any serious constraints in the design office? You have clearly indicated where the early part in obtaining any new work would lie. If there are constraints, are those ones that you expect to be able to address?

Once I hear the answer to those questions, I am finished.

**Tim Hair:** We have made excellent progress in establishing a design office at Ferguson. I remember that, when you visited us roughly a year ago, I commented that I was recruiting a new head of engineering. We appointed an excellent head of engineering in June, and she has been actively recruiting the necessary skills to be able to resource the design office and design controls at Ferguson. I know that I have mentioned in the past that we also have a contract with International Contract Engineering, which is a specialist detailed design house. It is providing us with large amounts of capacity to work through the designs for vessels 801 and 802. Obviously, design is a challenge as we sort out vessels 801 and 802, but we are currently in a much better place than I had expected to be in terms of our resource.

**Colin Smyth:** You have just mentioned vessels 801 and 802. On 21 August last year, the committee received an update on the construction of the two ferries. How much further has the timescale slipped since that update last year? Can any slippage be recovered, or will the estimated delivery dates be later than the ones that you set out in August 2020?

**Tim Hair:** As the minister said in his opening remarks, we are still working to the timetable in that update, although it is fair to say that that timetable was predicated on there not being a further intervention with Covid.

We are dealing with two main areas of concern. With the change in guidance on workplace canteens at the beginning of January, we had to suspend production in the yard for four weeks while we reconfigured our amenities, and we have been trying to recruit additional employees into the shipyard for some time now. We are working through that combination of resource and suspension issues as we figure out how to recover the schedule and what impact that will have.

To be able to answer your question, probably the most critical thing on my agenda is that we announced last week that we will put on a weekend shift, to start on 19 March. We are currently actively recruiting up to 120 workers to resource that weekend shift, which will run on Friday, Saturday and Sunday to fit in with our weekday shift. Our success in being able to resource that shift will influence the exact timetable of the project.

In summary, there are undoubtedly some challenges. We have lost time as a result of the Covid suspension, and we have a large holiday accrual that we need to work our way through. We are trying to mitigate that with significant extra resource. The success in hiring those skills will influence the exact timetable for the ferries. However, right now, we are working to, and doing everything that we can to stay within, the August timetable, as published.

12:00

**Colin Smyth:** To be clear, Mr Hair, when you gave the update in August, you said:

“The delivery of 801 is now planned for the range April 2022 to June 2022

The delivery of 802 is now planned for December 2022 to February 2023. 802 launch will occur in early May 2022.”

Are you saying that those dates are still on track to be met? If not, what would stop that happening?

**Tim Hair:** Those are still the dates that we are working to. The Covid suspension has undoubtedly put that timetable under pressure, but we are still driving hard to achieve it. Our ability to recruit the skilled workers whom we need in order to resource the weekend shift that I referred to is critical to the ability to stick within that timetable or forcing us into a slippage. We are actively recruiting in order to resource that shift; indeed, we have been actively recruiting, and we continue to actively recruit, for the weekday shift, as well. Right now, I do not have an answer to the question how many people we will be able to recruit. When we know that, we will be able to give a clearer response.

**Colin Smyth:** I will come to the recruitment issue shortly. You said that you are sticking very much to that timetable. It is clear that there has been slippage as a result of the pandemic and, I presume, other factors. Has that slippage added anything to the cost of completing the two vessels, or has there been additional cost to try to ensure that you stick to the original timetable?

**Tim Hair:** In August, I announced that we would treat the costs of the original lockdown as an exceptional item. We will also treat the production suspension that was triggered by Covid as an exceptional item. Putting that aside, we still intend to stay within the original budget of £110 million that was approved in December 2019.

**Colin Smyth:** Obviously, a substantial contingency was contained within that. How much of that contingency are you having to use in order to meet the additional challenges and delays?

**Tim Hair:** As we said in August, we are booking the Covid-related element as an exceptional outside the project. There are some areas in which

we have had to use the contingency, and there are one or two areas in which things have been favourable. We are still well within our contingency at the moment, although we have used a small amount of it. To give an estimate, we have probably used about a tenth of the contingency—*[Inaudible.]*

**Richard Lyle:** For the sake of time, I will ask a couple of questions together. Mr Hair, first, on your previous visit to the committee, you said you had a lot of items to fix. What is still outstanding? Are any of the ferry sections being constructed elsewhere, as was originally intended, or is that not now required? Secondly, if you need more than 120 posts, will you take on more people?

**Tim Hair:** To take those questions one at time, we have made a huge amount of progress in the time since we last met. I have already spoken about creating an engineering department. We have put in new business systems. We have dealt with the inventory by moving it locally and sorting through it—I took you to those warehouses in Westway. Although we found some problems, we have not found the showstopper that I was very concerned might be buried within that. We have changed working patterns to make the process more efficient and to make the working arrangements more employee-friendly. We have introduced new planning systems. The list is endless. We have effectively created the shipyard from a standing start in the space of a year.

It would be fair to say that, as a result of all those changes happening in such a short time, there are teething problems as some of the processes fit together and we get the right information and the right equipment in the right place for the work, but overall a lot of those process-based foundations and design-based foundations are coming to fruition. I think that, when we last met, I mentioned that we had about 5 per cent of the basic design signed off by flag, class and ONO. We are now north of 80 per cent and are working on the balance. A great deal of progress has been made.

With regard to parts of the ship built elsewhere, the vessels are being completed at Port Glasgow. There is a small amount that is being outsourced, for instance, for a variety of reasons the aluminium fabrication of the aft mast on 801 is about to go out to a subcontractor. Basically the ships will be built and finished here. Some elements of the scope of work, like some of the pipe fitting and cable pulling, are being outsourced, but that was always in our plan.

As far as employment is concerned, my concern, frankly, is not about whether we can get more people if we need them. Rather, my concern is more that we will not be able to get the 120 people that we need for the weekend shift. We will

recruit to whatever level is necessary in order to be able to deliver the ferries. I hope that there is capability in the labour pool to do it in Scotland. I have to say that I worry that we need a lot of people and that the skills may not be available, but we are going to find out over the next few weeks.

**The Convener:** Colin Smyth, did that answer your questions on labour recruitment? I will allow you one question.

**Colin Smyth:** It would be good to know about your plan to recruit 120 qualified UK-based workers by mid-March. I hear the concern that you expressed. Are you on track to meet that target? How far away are you from meeting that? If you do not meet it, what is your contingency plan?

**Tim Hair:** We announced the weekend shift last Thursday. So far, we have 31 expressions of interest. We have checked 15 of those and found that their skills fit what we require. The rest of them are going through the skills assessment. If I am honest, I had never expected to get 120 on 19 March. There was always going to be a degree of ramp-up involved, but it is early days. With our recruitment partner, we are doing everything that we can to make sure that the recruitment exercise is strongly promoted around the Clyde area so that people know where we stand.

If we cannot get the necessary number of people from UK-based workers, once the travel restrictions for Covid are lifted we will turn outside of the UK, either through subcontractors or through direct employment, and bring in overseas workers to complete the vessels. I would stress that my starting point—not just because of the Covid controls, which mean that I have no other option—is that we believe that there is a pool of labour in the UK and that we need to tap into it.

**The Convener:** Colin Smyth, I think that you are happy with that answer. I would like to direct some questions specifically to the minister.

Minister, you wrote to the committee on 19 February saying that you wanted to bring Tim Hair to this meeting to update us. You gave an undertaking in that letter that there would be a full update on the delivery timescale and budget for 801 and 802 submitted prior to the parliamentary recess on 25 March. Do you stand by that commitment?

**Paul Wheelhouse:** We are trying our best to get information to you. That is why we have brought Mr Hair with us today to give you an update. I know that that is what everyone is trying to achieve in terms of timing. The committee session was too early to be able to provide that information, but that is still our intention. I have not had an update on the deadline from Chris Wilcock or Mr Hair, but I am assuming—unless they want to intervene—that we still intend to meet it.

**The Convener:** I take it that you are committed to doing what you said in your letter. At this stage, do you know what the exceptional costs for Covid are in relation to this? Tim Hair referred to that issue.

**Paul Wheelhouse:** I do not have that figure to hand, convener. Perhaps it might be best to direct that to Mr Hair.

**The Convener:** No, minister, I am asking you.

**Paul Wheelhouse:** My answer is that I do not have that figure to hand. We are working on the basis that the additional costs over and above the cost to CMAL will be £110 million to £114 million, including the contingencies that Mr Hair has just discussed with other members. My understanding is that we are still living within that envelope of £110 million to £114 million total cost. We have provided some additional support to Ferguson Marine (Port Glasgow) Ltd in respect of the additional costs for tackling Covid.

**The Convener:** How much, minister?

**Paul Wheelhouse:** We can get the figure for that. I do not have that in front of me. If you will not allow me to go to Mr Wilcock to get that figure, I will get that to you after the meeting.

**The Convener:** Minister, we signed a contract for £97 million; we paid £82 million; we paid £15 million in loans; we have given a £30 million loan; and we have been told that there is £110 million of additional cost. That is £237 million for these ferries. I would be surprised if I was in your position and did not have those costs at my fingertips. I am specifically asking you: do you have those costs at your fingertips and do you have the slippage dates?

**Paul Wheelhouse:** First, I will correct the figures that you have outlined. The cost to CMAL for the vessels remains the original project cost of £97 million. As I have just said, the additional costs of £110 million to £114 million were provided to Ferguson Marine (Port Glasgow) Ltd from Scottish Government resources. That is not £237 million.

In addition to that, I have also stressed that my responsibility here is for the client side in securing the vessels. I am here to discuss vessel procurement. I am not responsible for the operation of the yard. That is dealt with by a different division of the Scottish Government, led by Ms Hyslop, as the economy secretary. Mr Wilcock and Mr Hair will be aware of the figure there. That is not my responsibility. I am responsible for procurement of the vessels.

**The Convener:** Minister, with great respect, the procurement of the vessels involved the signing of a contract for £97 million. As a country, we have paid £45 million in loans to the yard and we are

being told that it will cost us another £110 million to £114 million to get 801 and 802 delivered. Simple maths tells me that that comes to £237 million for those ferries.

**Paul Wheelhouse:** I have to take a position where I disagree with your analysis. I understand the £45 million that you are referring to in terms of financial support provided to the previous operators of the yard to give them the working capital and also to allow them to diversify the business. I am here to answer for the procurement of the ferries themselves. The ferries themselves are costing CMAL £97 million and will cost an additional £110 million to £114 million to finish. That is not £237 million.

**The Convener:** What is £45 million in the big scheme of this, you would say. Let us take it back to the equivalent of £180 million—£197 million, actually—which is more than double the cost of the original ferries. Mr Wilcock, as the minister is unable to give me that answer, could you tell me what the additional costs of Covid are for these ferries, or can Mr Hair tell me? Who is the right person to ask? I am unclear.

**Chris Wilcock:** I will pass that to Tim Hair in regards to those exceptional costs that he mentioned earlier.

**The Convener:** Tim Hair, could you tell me what the exceptional costs are for Covid, please?

12:15

**Tim Hair:** The exceptional costs figure that we published in August for the previous lockdown was £3.3 million. We suspended production on the ferries and that was for roughly four months of full lockdown. My chief financial officer is working through the final figure for the recent suspension. We suspended for four weeks, so I think that it will be pro-rated down. I am not going to guess a number. I expect it to be proportionate to the £3.3 million for four months. I will happily write to the committee no later than Monday of next week and give a hard figure, if that would help answer the question.

**The Convener:** It would. Also in that letter, could you please confirm to me that you are absolutely clear that there will be no slippage on the original times that were put forward to the committee for the deliveries of 801 and 802 when you took charge?

**Tim Hair:** Yes, I will address that in the letter.

**The Convener:** I have to say in passing that I find it odd that—as I said to the minister—we are talking about a contract of this size, involving such a large amount of money, but he does not have these figures to his fingertips.

**Paul Wheelhouse:** I take exception to that remark. You are conflating two issues here. One issue is the Covid impact on the Ferguson Marine (Port Glasgow) Ltd, which we are the owners of and which we are supporting to come through the pandemic, as other businesses are having to do. That is a separate issue from the costs of the contract that I am referring to. I have given you accurate figures for the cost, as I understand it at this moment in time, for the delivery of the two vessels. I reject your criticism of me for being unable to provide a figure that is not related to the contract.

**The Convener:** So, it is a matter for another department. Angus MacDonald, could you ask your questions now?

**Angus MacDonald:** Minister, you will be aware that, during the course of our ferries inquiry, we took evidence that suggested a dissatisfaction with CMAL and, to a lesser extent, CalMac's community engagement. We made recommendations on that in our report and called for better engagement. It is fair to say that both CMAL and CalMac claim that they had significant community engagement in the past. You mentioned the CalMac community board earlier, but, given the concerns expressed, how do you intend to give island and remote mainland communities a meaningful role in decisions on future vessel and ferry service specification and procurement?

**Paul Wheelhouse:** You raise an important point. We certainly took on board completely the recommendation in the report for the need to improve our engagement strategy with the customers of the ferry networks. We have been in the process of developing a revised communication and stakeholder strategy. That is one element of this and we will continue to build in improvements with stakeholders to develop greater transparency with regard to how community views are received and included in our decision making. That is important because there have been challenges in relation to transparency around how community views have influenced design and why, and why there have been variations from what communities wanted. We have not been so good at communicating ultimately why the design of a vessel has ended up the way it has.

On vessel procurements, we continue to try to build on the positive engagement that has been started by CMAL, Transport Scotland and CalMac in relation to the Islay vessel project. As I think that I mentioned in the debate, in one virtual event, 140 attendees discussed the design of the Islay vessel. I had some very good feedback on that from the chair of the CalMac community board, Angus Campbell, who I should stress is a very

effective chair of that board. That has helped us to understand how we can improve processes there.

We are committed to continuing to ensure that community views are taken on board. Obviously, they will have to be balanced at some point between the operational and cost considerations, but I think that we need to improve on how we explain how those factors are all mixed in together. The point that I made in the debate was that, ultimately, with some vessels, the design may reflect the need to provide a wider resilience role, so it is not just for the route that it will spend most of its time delivering. It may have to provide a back-up role to alternative routes, and some design features might reflect that. I hope that that is a helpful answer. I recognise that that was an important point in the committee's report and we fully acknowledge and accept that we have to improve in that regard.

**Angus MacDonald:** I am certainly glad to hear that you have taken those issues on board—to coin a phrase. Communities will certainly appreciate it.

Our inquiry also looked at the issue of the propulsion systems in the vessels, and you have made some reference to it today. How do Transport Scotland and CMAL intend to make decisions on the most appropriate propulsion systems for new ferries with a view to delivering the Scottish Government's net zero carbon commitments, particularly given the long lifespan of the vessels?

**Paul Wheelhouse:** Again, that is a fair question. The approach we are going to take involves the issue forming a key part of the VRDP. We are considering the lowest-emission design and fuel types available. We believe that some significant savings can be achieved through modern hull designs. We are looking at a hull form for the Islay vessel that could potentially save—we can check with Chris Wilcock—in excess of 30 per cent in terms of fuel use. In addition to looking at alternative fuels in terms of propulsion systems, that could make a huge difference.

The ability to save money will vary across different classes and sizes of vessel and routes. We are channelling that money back into perhaps being able to deliver more services to those who are served by networks. Along with other bodies, CMAL and Transport Scotland are also looking to replace their fleets and to consider where lessons and synergies can be shared. For example, those operating internal ferry routes in Orkney and Shetland or in the Highland Council area can perhaps benefit from any learning we are undertaking as part of our thinking. We would be happy to share that with others.

The ICP will also investigate the opportunities and technologies that are available in the maritime

sector and set out pathways toward delivery of vessels that will operate with either zero or significantly reduced carbon emissions. As I said earlier, in response to John Finnie, I believe, the VRDP will be looking specifically at whether any of the up to eight vessels could be using battery-operated technology, because of the nature of the short-haul routes that they have to deliver. Mr Wilcock can add to that.

**Chris Wilcock:** I echo the minister's points. The savings from all forms are encouraging, but looking at marine technologies and emerging low-carbon fuels is a key piece of work for my team. As the minister has indicated, we are looking to do that with other partners, not only in the ferries sector, but working with other parties such as the Northern Lighthouse Board, which is setting up groups on this with other parties across Scotland, building on some of the work in that space that we have done around Covid. Particularly where we have pipelines of vessels, such as the small vessel replacement programme, we are starting to build into our thinking what happens over a 10-year framework. If technologies improve, we need to think about how we adapt those systems. We are also looking at retrofitting down the line. That may or may not be an option in some cases, but we are just building that into our thinking. It is very much the focus of the work around these vessels at the moment.

**Angus MacDonald:** It would be good to get more information on retrofitting. That would be helpful. I make the point, convener, that, while options are being considered here, electric ferries are being deployed in Scandinavia.

**The Convener:** Thank you, noted.

**Jamie Halcro Johnston:** Good afternoon. I have a number of questions to ask, so I ask for fairly concise answers.

With regard to the issue that has just been spoken about, the Cabinet Secretary for Transport, Infrastructure and Connectivity highlighted to the committee that performance on the targets on low emissions had gone backwards because of the purchase of the northern isles ferries and freight boats. Can anything be done to those boats to make them more efficient, or are there any plans to make them more efficient? Obviously, they are not low-emission ferries; in fact—you might be able to confirm this—there is concern locally that they are fairly fuel-unfriendly vessels.

**Paul Wheelhouse:** We can certainly come back to you with more detail on that in due course. The freighters that you referenced are in scope for allocation of the £580 million that we have announced in the infrastructure investment plan. Within that total, between the 2021-22 and the

2025-26 financial years, there is about £281 million in voted loans for new vessel investment through CMAL. The way in which the funding tends to cycle through is through voted loans. Consideration of the northern isles freighters is in scope for that, alongside other projects.

I know that Kevin Hobbs and the team at CMAL are looking at what design options there might be for that. I am sure that Mr Halcro Johnston, as someone who has strong connections with Orkney, will want to ensure that we have as resilient an operation as possible, and when the vessels are in for their annual maintenance overhaul, we might want to make sure that we have some additional passenger-carrying capacity as part of the freighter redesign. We are actively looking at that. We can come back to Mr Halcro Johnston on the emissions aspects of those vessels, which I appreciate need to be addressed.

**Jamie Halcro Johnston:** Thank you—that is helpful.

I have a couple of other questions, which I will roll into one. Would you consider extending the duration of the future Clyde and Hebrides and northern isles ferry service contracts, which would allow operators to plan and implement long-term capital investment plans? Could you set out the scope and timetable for the review of the current tripartite arrangements for the delivery of Scotland's lifeline ferry services? How might you include communities, the need for whose inclusion was mentioned earlier, and external ferry experts in that review?

**Paul Wheelhouse:** I have touched on the second point already, so I will try to focus on the aspects of your question that I have not covered. When it comes to the duration of future CHFS and northern isles ferry service contracts, I recognise the point that Mr Halcro Johnston makes—obviously, the longer the contract, the more able the contractor will be to recover its investment and to have certainty of revenue. We have always been clear that a decision on the future approach to the procurement of the Clyde and Hebrides contracts, in particular, including the possibility of making a direct award to a public sector operator, which I know that Mr Finnie has been anxious to push for, would be taken ahead of the expiry of the current contracts in October 2024.

We can consider that, but we will have to, as I alluded to earlier, take into account the outcome of the Department for Business, Energy and Industrial Strategy consultation on the subsidy control mechanism to ensure that we stay on the right side of the law in that respect. That consultation ends at the end of March, and I hope that any output from that is made available by BEIS reasonably soon after that, which might influence any recommendations around the

message that comes out of the tripartite review, which Mr Halcro Johnston also referred to.

As I mentioned, the consultants will have an initial meeting on the tripartite review this week. I talked about the focus of that review earlier. I hope that we will be able to give an indication as to which contractor that is very shortly and to allow it to start to engage as regards what it will do with stakeholders around the tripartite review. Given that Mr Hair will be writing to the committee early next week, perhaps we could confirm the contractor in writing and maybe also provide the details of the scope of the review, if that would be helpful to Mr Halcro Johnston and others.

**The Convener:** Yes, that would be helpful. Jamie Halcro Johnston has one more brief question to ask, after which we will go to Emma Harper.

**Jamie Halcro Johnston:** Could you give us a brief update on any discussions with the northern isles councils on the replacement of internal fleet vessels? What role do you see Ferguson Marine (Port Glasgow) Ltd playing in any procurement process?

**Paul Wheelhouse:** We continue to have discussions with Orkney Islands Council and Shetland Islands Council, and—I should mention this for completeness—with Highland Council and Argyll and Bute Council, although their needs are not of the same magnitude as Orkney Islands Council's. It would be fair to say that Orkney Islands Council's capital investment requirements across ports and harbours, as well as vessels, is very significant. Targeted investments are required in respect of Fair Isle and Whalsay, which are routes that Shetland Islands Council is keen to invest in; Highland Council's Corran ferry; and some smaller vessels in the Argyll and Bute Council area that require to be replaced. Those discussions are on-going.

12:30

I do not make this point to be in any way difficult. Technically, those services are currently the responsibility of the local authorities, but we recognise that we can, as I said in a previous answer, share expertise and help them with future design. If we can pass on the lessons that we have learned on propulsion systems and fuel savings, that will have a big bearing on the cost-effectiveness of the ferry services and their efficiency. We will continue to engage at official and ministerial level with those councils. The Cabinet Secretary for Finance, the leaders and chief executives of Orkney and Shetland councils and I have had productive discussions recently, and I assume that those discussions will pick up after the election.

We will see what we can do to support those councils. At this moment in time, we do not have any specific investment proposals, but we are engaging in detailed discussions on the business cases for those councils, and we expect to receive further detail from Orkney Islands Council in due course.

**The Convener:** I think that Emma Harper is going to try to roll up some of her questions, but we will see how she goes.

**Emma Harper:** I will do my best. I have a couple of questions on the islands connectivity plan. With regard to the development of the ICP, our briefing paper outlines a number of bullet points on what the scope of the plan could include. Could you provide a timetable for the development of the ICP? What will its scope include? You covered the issues of vessel design, the port infrastructure upgrades that are required and the need for community involvement in response to Angus MacDonald's questions. Could you provide an update on the ICP, please?

**Paul Wheelhouse:** Sure. For those who are following the session and are not familiar with the subject, the ICP will replace the current ferries plan by the end of 2022. It will be developed within the policy context that is provided by the on-going national transport strategy and the national islands plan, which are aligned with the Scottish Government's purpose and the national outcomes and feed into that family of target measures.

The ICP will be closely linked to the strategic transport projects review. As I am sure that colleagues will be aware, the first phase of that has been published, with the second phase being due later this year. That work is being led by Mr Matheson. In order to consider island connectivity more broadly, we have specifically included consideration of aviation, ferries, fixed links and connections with onward travel, which are critical for those who alight on the mainland and for those who travel to the islands.

The plan will include a long-term programme of investment in vessels and ports, which will be developed over the next five years with the support of the £580 million that I mentioned earlier. That was announced on 4 February by Mr Matheson as part of the infrastructure investment plan. I can give more detail on the specific issues that will be covered by the £580 million, or we could supply it subsequently, if that would be helpful from the point of view of time. We plan to engage with stakeholders to determine each island's needs for transport connectivity.

We recognise that no two islands are the same. Their needs are different, and that includes the potential for further service or capability enhancements or investment in vessels and ports.

That feeds into the point about standardisation that Mr Finnie mentioned earlier. We are also trying to understand in the round the extent to which the harbour infrastructure needs to be adapted to support that objective.

The plan will also analyse how services can achieve greater integration with the wider transport network and improve travel choices for residents and visitors, as well as encouraging and promoting economic growth. Given our engagement with the Mobility and Access Committee for Scotland, I should also mention the need to take into account the needs of people with mobility issues. Today, further grant funding has been announced to support accessibility issues on the transport network.

For the benefit of the convener and Ms Harper, I mention that, following the evaluation of road equivalent tariff, we will look at that in the context of fares policy, including freight fares, as part of the ICP.

**Emma Harper:** Thank you. Is the £580 million part of the long-term financial planning for the ICP, or would a long-term financial plan have a separate funding commitment?

**Paul Wheelhouse:** The £580 million is purely an allocation as part of the infrastructure investment plan for the next five years. The ICP might have a longer timescale, in that it looks beyond any messages or indication of direction of travel—no pun intended—beyond that period with regard to the wider combination of aviation, ferries, onward travel connections and fixed links. The £580 million covers that, but I should stress that it does not include the additional costs that I mentioned earlier in response to the convener around the £110 million to £140 million. Those are new projects—harbours and vessels—that we will undertake over the next five years. It is a significant commitment, but it is not the only commitment that we are making. We will be looking to plan for the future and to ensure that we have a pipeline in place to support the growth of the supply chain.

**The Convener:** John Finnie has a couple of questions to ask.

**John Finnie:** Indeed. A number of the matters that I wanted to ask about have been covered by the minister.

Could you say a bit more about the islands connectivity plan and how it relates to fares policy? You briefly alluded to that, but could you outline for the committee how wide ranging that policy will be? Do you envisage any fundamental changes? Will that involve the interisland ferry services in the northern isles?

**Paul Wheelhouse:** We are certainly looking at how we can address the needs of the northern isles. We are looking at expanding the VRDP—as a separate document—to look specifically at the needs of the northern isles. I mentioned in response to Mr Halcro Johnston that we are already looking at the replacement of the freight ferries to the northern isles. I hope that that gives Mr Finnie confidence that we are very much looking at the future investment needs of both networks, and not just those of the Clyde and Hebrides network, which obviously makes up the bulk of the ferry operations.

On the fares policy, we have had a recent evaluation of RET, which has thrown up some interesting messages on the impacts that RET has had. In the vast majority of cases, it has had a positive impact for island communities. A number of communities—Bute is one example that I recall from reading the report—reported more of a mixed message and said that there had been some negatives. The trade-off between deck space and visitors, and members of the local community having access to that deck space, is an issue that we need to consider.

We will take a look at ferry fares. I should stress that the principle that we would not want to make any communities worse off is our starting point. The issue is more about what more we can do to help communities and to support economic growth in communities in a sustainable way through fares policy. Freight fares is a very tricky area. If we were to take a very blunt approach to applying ferry fares in respect of freight, it could have very detrimental impacts on some communities, so we have to tread extremely carefully there.

The key thing for us is to understand what the outcome of the subsidy control mechanism consultation that BEIS is undertaking says to us, and whether it changes the landscape or allows us to operate as we have been doing. We can come back to that.

I do not know whether Mr Wilcock can add any further detail to help Mr Finnie on that point.

**Chris Wilcock:** No—I think that the minister has covered everything. For clarity, I confirm that although we will produce the ICP to replace the ferries plan at the end of 2022, we will deliver many of the pieces of work that have been mentioned in the interim. I stress that we are not going to wait until 2022 for all those pieces of work to come to fruition. We will prepare those as we go along.

**John Finnie:** I thank the minister and Mr Wilcock. I think that the issue of RET would require a whole session of its own, so that is maybe for another day.

**The Convener:** Thank you for saying that RET would probably require an entire meeting of its own.

I thank the minister and the other witnesses for taking part, and I look forward to receiving the updated information that has been promised by the minister and Tim Hair, and a full summary of the costs, as promised to the committee, by 25 March.

Our next meeting will be on 10 March, when we will speak to the Cabinet Secretary for Transport, Infrastructure and Connectivity and will look at some SSIs. I thank everyone for attending. That concludes the committee's business.

*Meeting closed at 12:39.*

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