



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Meeting of the Parliament (Hybrid)

Wednesday 23 March 2022

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# Scottish Parliament

Wednesday 23 March 2022

*[The Deputy Presiding Officer opened the meeting at 14:00]*

## Portfolio Question Time

### Covid-19 Recovery and Parliamentary Business

**The Deputy Presiding Officer (Annabelle Ewing):** Good afternoon. I remind members of the Covid-related measures that are in place. Face coverings should be worn when moving around the chamber and across the Holyrood campus.

The first item of business is portfolio question time, and the first portfolio is Covid-19 recovery and parliamentary business. If a member wishes to ask a supplementary question, they should indicate so by pressing their request-to-speak button or by entering the letter R in the chat function.

#### Covid-19 (Vaccination Certification)

1. **Alex Cole-Hamilton (Edinburgh Western) (LD):** To ask the Scottish Government what plans it has for the future of the Covid-19 certification scheme. (S6O-00894)

**The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney):** We have lifted the legal requirement for venues to operate a Covid certification scheme, but some venues might opt to use certification to make their customers and staff feel safer.

The Covid status app will remain in place for as long as it is needed to facilitate international travel. A domestic certification scheme will remain in our package of protective measures and might be used if it is required in the future to manage Covid outbreaks, although we hope that that will not be necessary.

**Alex Cole-Hamilton:** In her Covid statement last month, the First Minister said that the passes would be retained on a voluntary basis for any business that wants to use them, and the Deputy First Minister has said that again. That creates, in effect, an unregulated scheme, with businesses free to refuse custom to anyone on the basis of their not having the right piece of paper or the correct barcode on their phone, and there is no suggestion of when the scheme will end. Does the Deputy First Minister agree that that creates a potentially dangerous loophole in which the liberties and the right of Scots to medical privacy could be undermined indefinitely?

**John Swinney:** No, I do not take that view, because the arrangements around the gathering, handling and processing of information relating to the Covid certification app are all carefully regulated and compliant. Any business would have to be mindful of its policies, decisions and legal obligations in administering any scheme. I am satisfied about legal compliance, and the onus is on businesses to ensure that their operations are legally compliant, too.

**Stephen Kerr (Central Scotland) (Con):** Given that this entire debacle has cost the taxpayer £7 million, which went to Danish and American companies to build an app that many Scottish companies, including those in the Forth valley, could have made more cheaply and effectively, what lessons has the Deputy First Minister learned from the experience? What does he plan to do to ensure that such a thing does not happen again?

**John Swinney:** I do not recognise Mr Kerr's characterisation of the situation. There is an open procurement process, and the Government has to ensure that such services are procured properly and are legally compliant. That process was followed in these circumstances.

The scheme was expanded significantly beyond its original purpose, which is why it cost more money. Clearly, if we expand a scheme beyond its original concept, it will cost more money—that is as straightforward as B following A.

The Government subjects all its decisions to careful scrutiny with regard to financial handling, legal compliance and compliance with other regulatory arrangements. The scheme has complied in every aspect.

I stress that the scheme is a valuable tool in ensuring that we can take the necessary steps to suppress circulation of the virus. It also allows individuals to provide a crucial piece of evidence to enable them to undertake international travel. If Mr Kerr wants to support our airports in attracting more custom, he should note that they require their customers to be able to comply with the requirements of the Covid status app.

**The Deputy Presiding Officer:** I call Sharon Dowey.

**Sharon Dowey (South Scotland) (Con):** Sorry—I wanted to come in on question 5.

**The Deputy Presiding Officer:** Okay. You had pressed your button. That is why I called you.

#### Covid-19 Recovery (Support)

2. **Rona Mackay (Strathkelvin and Bearsden) (SNP):** To ask the Scottish Government what work and action across Government it is undertaking to support local authorities and local communities in

their recovery from the Covid-19 pandemic. (S6O-00895)

**The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney):**

Across Government, we are working closely with our partners in local government and the third sector to deliver outcomes that will bring about a fairer future, particularly for those who have been most affected during the pandemic. By working together, we will align services around the individuals and families who need them.

The “Covid Recovery Strategy” sets out clearly the outcomes that we will improve for communities. We will increase financial security for low-income households, enhance the wellbeing of children and young people and create good green jobs and fair work through a package of targeted actions. Alongside the president of the Convention of Scottish Local Authorities, I chair the Covid recovery strategy programme board, and we met last week to progress further that ambitious transformation of public services.

**Rona Mackay:** Businesses will play a crucial role in the recovery of local communities up and down the country. However, large rises in energy bills, increased costs for everyday essentials and rising interest rates will mean that businesses will see their margins squeezed.

Does the Deputy First Minister consider that the measures that the Chancellor of the Exchequer set out in his statement just hours ago will have any substantive effect on businesses that already struggle with Brexit-related import costs and supply chain problems, as the high streets that serve our communities try to recover from the impacts of the pandemic?

**John Swinney:** I have not had a lengthy opportunity—because of other business—to take in all the details of the spring statement. I have not heard enough in that statement to be confident that businesses have been protected from the challenges that they face. Some measures, such as the reduction in fuel duty, will have an effect, but the implications of Brexit, particularly on the availability of labour, are colossal challenges for the business sector. I hear about that issue every week in my constituency from organisations that cannot recruit enough staff because of the removal of free movement of European Union citizens. What I have heard so far today does not give me confidence that the business community has been given the support that it requires to address the challenges that businesses currently face.

**Mercedes Villalba (North East Scotland) (Lab):** Universities are a vital part of many local communities, and we must ensure that they recover from the pandemic in a way that protects

the health of students and staff. However, in light of rising Covid cases nationally, we continue to see outbreaks in universities such as the University of St Andrews, where more than 450 students tested positive in a single week.

Does the Scottish Government agree that we should consider continuing to mandate protections such as face coverings, testing on campuses, social distancing and ventilation in our universities?

**John Swinney:** I acknowledge the significance of the points that Ms Villalba puts to me. We are now going through very significant levels of community transmission, which is presenting itself in a number of ways in university and college campuses around the country, where it is important that we are taking every measure to sustain the education of young people and to protect their safety into the bargain.

In the strategic framework that the Government has published, there is a range of baseline measures that we expect institutions to take forward, and some of those will be around ventilation. We have a mandatory position on face coverings, but Ms Villalba will realise that that position is not universally welcomed in Parliament—the Conservative Party vigorously opposed our extension of the face coverings measures. However, I think that those measures are appropriate for the moment, given the significance of the challenges that we face. Of course, the Cabinet will consider those measures for review at its meeting on Tuesday, and there will be a statement to Parliament next week about those issues.

**Pam Duncan-Glancy (Glasgow) (Lab):** The additional funding that was given to third sector organisations during the pandemic was much needed, and essential to allow them to offer their crucial support to families. However, this year’s budget hands a cut of around £1 million to third sector organisations. The need for their advice and services has never been greater, particularly as we recover from the pandemic but also in the cost of living crisis and as a result of people taking refuge here because of the war in Ukraine.

What engagement is the Scottish Government having with the third sector to ensure that adequate funding arrangements are in place? Can the Deputy First Minister provide an update on any further considerations that the Scottish Government has given to the development of multiyear funding models?

**John Swinney:** The question of multiyear funding models is an issue that arises from the degree of prospective information that we have on the financial arrangements from the United Kingdom Government. We are in a different

situation at this moment, because we now have a longer line of sight than we have had for a number of years. The Cabinet Secretary for Finance and the Economy will reflect on those points, because it is desirable for us to give multiyear settlements, and I know that the finance secretary has shared that position with the third sector.

I encourage Pam Duncan-Glancy to look at all budget lines, not just individual budget lines where there might be changes that members would like to see reversed. The Government is making a range of funding streams available to third sector organisations. Within the “Covid Recovery Strategy”, there is a heavy emphasis on the role of the third sector in supporting the work on Covid recovery.

More will be said tomorrow when the social justice secretary shares with the Parliament the approach to the child poverty implementation plan. Obviously, the third sector is critical in supporting our work to eliminate child poverty in our country.

**The Deputy Presiding Officer:** Question 3 was not lodged.

#### Freedom of Information Requests

**4. Edward Mountain (Highlands and Islands) (Con):** To ask the Scottish Government what percentage of FOI requests made to it were answered in full within 20 working days, within the last 12 months. (S6O-00897)

**The Minister for Parliamentary Business (George Adam):** During calendar year 2020-21, we responded to more than 4,000 freedom of information requests, 86 per cent of which were answered within the statutory deadline. That is broadly in line with the average of other Scottish public authorities, and represents the continued recovery of our performance since the start of the pandemic.

**Edward Mountain:** That is interesting. Perhaps it is just me, but I have numerous examples of FOI requests not being responded to within the time limit, even those that I have had to appeal. Even a simple question such as, “When will vessels 801 and 802 be delivered?” has been left unanswered for more than four weeks. Surely a Government minister with their finger on the pulse should know the answer to that. Will the minister undertake to look at the 14 per cent of FOI requests that did not make the cut and find out why they did not?

**George Adam:** The simple answer to Mr Mountain’s question is that there are other methods of parliamentary scrutiny. He could ask parliamentary questions, should he wish. *[Interruption.]*

**The Deputy Presiding Officer:** Minister, could you resume your seat? Could we please have less

sedentary comment. A question has been asked, so please let the minister answer. That is the courteous way to proceed. Minister, please resume.

**George Adam:** In summary, Presiding Officer, there are more than adequate measures for members to ask questions about anything they wish to in the chamber.

#### Covid-19 Recovery (South Ayrshire)

**5. Sharon Dowey (South Scotland) (Con):** To ask the Scottish Government how its policies and actions across Government will support South Ayrshire to recover from the Covid-19 pandemic. (S6O-00898)

**The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney):** Priorities for recovery will vary by location. Across Government, we are committed to working with communities to understand local needs and tailor support services to support them. We announced an £80 million Covid economic recovery fund for local authorities to target support for businesses and communities. South Ayrshire Council will receive more than £1.68 million and will have full discretion over how to target that support to maximise economic recovery.

Further to that, the Scottish Government is investing £103 million in the Ayrshire growth deal, which will see transformational investment in projects across Ayrshire to support long-term inclusive growth. Regional partners estimate that the deal will create 7,000 new jobs and unlock an additional £300 million from the private sector.

**Sharon Dowey:** In my constituency, I was proud to see communities and the third sector organisations coming together to support South Ayrshire Lifeline when the pandemic began. That allowed the organisation to expand services such as its helpline and its prescription collection and distribution network, but that would not have been possible without people going above and beyond for their communities. Will the Deputy First Minister outline how the Scottish Government will continue to fund the third sector and retain people in local organisations?

**John Swinney:** This is a very important issue. The type of service that Sharon Dowey talks about is increasingly evident within our communities, and is also increasingly developing, because communities are building their capacity to make services and support available on an on-going basis. Just last week, I had a helpful conversation with a number of community development organisations to establish how the good example that Sharon Dowey has put to me can be replicated in other parts of the country. There are

many other comparable examples that are already working well.

I am keen to explore how we can ensure that that capacity exists, not just to deal with a situation such as Covid, but to deal with other situations such as winter weather or flooding or other examples where we can use community capacity to assist the public services in addressing need within communities.

I welcome the information about the example that Sharon Dowey has put to me, and I assure her that the Government is keen to build up community capacity.

**The Deputy Presiding Officer:** Siobhian Brown has a supplementary question.

**Siobhian Brown (Ayr) (SNP):** How much money has the Scottish Government spent in South Ayrshire to mitigate the United Kingdom Government policies that are hitting families in my constituency hard as we recover from the pandemic?

**John Swinney:** The Scottish Government has made available a number of funding streams in the South Ayrshire area. As part of the local government finance settlement, South Ayrshire Council is receiving funding of £247.6 million, which represents a real-terms increase of 8.2 per cent, and cost of living support of nearly £5 million will be made available to South Ayrshire.

In addition, South Ayrshire Council was allocated £533,000 from the flexible element of the winter support fund. We also allocated more than £1.7 million in discretionary housing payment to the council to fully mitigate the damaging effects of the UK Government's bedroom tax.

### **Covid-19 Recovery (Low-income Households)**

**6. Emma Roddick (Highlands and Islands) (SNP):** To ask the Scottish Government what steps are being taken with ministerial colleagues across Government to ensure that Scotland's recovery from the Covid-19 pandemic addresses the reported disproportionate impact of the pandemic on low-income households. (S6O-00899)

**The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney):** Our strategy is focused on those who have been most affected during the pandemic and on creating a fairer future for everyone who has been affected. We will do that by transforming public services to ensure that they are person centred in design and delivery, and by working closely with our partners, including the Convention of Scottish Local Authorities, local government and the third and private sectors. That will multiply the impact of

our actions and support communities and the most vulnerable to thrive.

The Government has declared tackling child poverty to be a national mission and is working to mobilise all of Scotland to help us to achieve that goal. We will publish the second tackling child poverty delivery plan tomorrow, which will outline the transformational action that we will take, alongside our delivery partners, to tackle child poverty, which lies at the very heart of the Covid recovery strategy.

**Emma Roddick:** Recent polling suggests that more than 80 per cent of people in Scotland are worried about the Tory cost of living crisis, with food, fuel and household bills skyrocketing. As inflation soars to a 30-year high, does the Deputy First Minister consider that the United Kingdom Government's spring budget goes anywhere near far enough to reverse the damage that has been caused by a decade of Tory cuts? Without drastic action, those low-income households will not be a part of Scotland's recovery.

**John Swinney:** Emma Roddick makes a very fair point. I highlighted the fact that the drive to tackle and eliminate child poverty lies at the heart of our Covid recovery strategy. Although, as the Scottish Government announced in December's budget, the Scottish child payment will be increased in the next financial year, at the same time, the UK Government has removed important increases that were put in place on universal credit. That is a glaring example of how the efforts of the Scottish Government to tackle child poverty are undermined by the actions of the UK Government.

As I said in my answer to Rona Mackay, I have not had a large amount of time to take in all the details of the spring budget statement, but I heard the strong contribution of my parliamentary colleague Alison Thewliss, in which she made the point that not nearly enough action had been taken to tackle the effects of poverty on low-income households. Such action is at the heart of the Scottish Government's strategy. We would like to have our actions reinforced, not undermined, by the UK Government.

### **Coronavirus (Recovery and Reform) (Scotland) Bill (Emergency Powers)**

**7. Jackie Baillie (Dumbarton) (Lab):** To ask the Scottish Government whether it will remove the provisions on the extension of emergency powers from the Coronavirus (Recovery and Reform) (Scotland) Bill. (S6O-00900)

**The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney):** The Government will, of course, consider carefully the views of Parliament as it completes its stage 1

scrutiny of the bill, but I must stress that removing key provisions from the bill in the way that Ms Baillie suggests would mean that Scotland would not have the public health protection measures in place that are needed to counter future public health threats, and I do not believe that that is in the public interest.

**Jackie Baillie:** The Deputy First Minister has chosen to use the made affirmative procedure, which means that measures can be routinely introduced without parliamentary scrutiny or approval in advance. That does not allow for consultation or for the voice of our constituents to be heard in the chamber.

The Parliament has demonstrated that it can operate quickly. I remind Mr Swinney that we have passed primary legislation in a week—indeed, that was the case with the very first bill that the Parliament considered—and Covid bills have subsequently been passed in a matter of days.

Rather than risk the other positive measures in the bill, will John Swinney change the provisions on the extension of emergency powers so that they are at least subject to scrutiny in advance?

**John Swinney:** I do not think that, in these circumstances, Jackie Baillie's characterisation of the issue is appropriate. The made affirmative procedure is only ever used where time circumstances do not allow us to undertake the normal consultation and dialogue around the affirmative procedure.

I have gone on the record before the Delegated Powers and Law Reform Committee to make it clear that the Government does not routinely intend to use the made affirmative procedure. We would prefer to use the affirmative process, to enable the type of dialogue that Jackie Baillie talks about.

What the Government is trying to do—I am very keen to engage with Parliament on this question—is ensure that we have a statute book that enables us, having learned the lessons of Covid, to respond swiftly and promptly to challenges that may come towards us. Jackie Baillie knows the issues of Covid well; she knows how quickly events have changed in front of us. The legislative framework that we are putting in place is designed to create the capacity for us to act swiftly.

I am keen to ensure that I work with parliamentary colleagues to try to address the legitimate concerns on this question, but, fundamentally, we must have a statute book that is fit to deal with the challenges of the pandemic, and that is my objective in this legislation.

**The Deputy Presiding Officer:** I have received a number of requests for supplementaries, and I

intend to take all of them. The first is from Sandesh Gulhane.

**Sandesh Gulhane (Glasgow) (Con):** In order to ensure that Parliament is able to scrutinise emergency powers in advance of their being enacted, could we agree a raft of emergency powers and leave them dormant? If the need arises, we could get a statement—either virtual or in person—and we would, in the time that it would take to play a football match, be able to grant the Government those powers.

**John Swinney:** Well, that is a rather interesting development of the Conservative position, which I am very happy to explore with the Conservatives, since we are now talking turkey on the issue. That is very welcome. Maybe Jackie Baillie will catch up with the new reformist thinking of the Conservatives, who have once again moved ahead and dumped her from the better together alliance.

I welcome Dr Gulhane's suggestion. What we are trying to do—I go back to my answer to Jackie Baillie—is ensure that there is a framework of legislation in place that enables Parliament to act quickly, where we require to do so. Dr Gulhane has offered an interesting perspective on that, and it is obviously something that can be advanced in the legislative process. If he would care to write to me, I would be happy to meet him and his colleagues to explore what might be involved in that, because—as always—I am keen to build consensus in the chamber.

**Willie Rennie (North East Fife) (LD):** Well, that is a very interesting development of the Government's position, because when I asked the very same question of the Cabinet Secretary for Education and Skills, at the Education, Children and Young People Committee, she rejected the suggestion out of hand. I suggest a bit of co-ordination on the Government side.

The Children and Young People's Commissioner Scotland gave some important evidence on the bill to the committee. He said that he had

"considerable concerns"

that

"Permanent powers ... may ... not be lawful under ... Article 15 of the ECHR."

Why is the Deputy First Minister ignoring the concerns of the children's commissioner?

**John Swinney:** I am not ignoring them—I am addressing them. I understand the perspective of commentators and commissioners, but ministers have duties to protect public health. Members such as Mr Rennie come to the chamber and complain, if ministers do not act quickly enough to

protect public health. I see that Mr Rennie is shaking his head, but I have sat here and listened to him complaining about ministers not acting quickly enough to do certain things.

I am happy to engage in discussion and dialogue on the provisions of the bill, but there is one fundamental point: we must have in place a legislative framework that will allow us to act quickly, should appropriate circumstances arise. That is the purpose of the legislation, and the Government will engage constructively with Parliament to try to achieve it.

**John Mason (Glasgow Shettleston) (SNP):** Opposition members often whine when Scotland is a little bit different from England. Will the Deputy First Minister clarify whether the provisions will move us closer to the position in England, or further away from it?

**John Swinney:** The statute book in England and Wales contains many such provisions, and they have enabled the UK Government and the Welsh Assembly to act, within their legal framework, swiftly and immediately.

Mr Mason has characterised how the Opposition parties sometimes contribute to the debate. I will not comment on his assessment, but I will say that Opposition parties often come here and ask us to learn lessons. We have learned a lesson from the pandemic, which is that our statutory framework was not adequate to deal with the issues, which is what I am trying to address in the legislation that is before Parliament.

### **Covid-19 Recovery (Glasgow)**

**8. Pauline McNeill (Glasgow) (Lab):** To ask the Scottish Government how its policies across government will support people living in Glasgow to recover from the Covid-19 pandemic. (S6O-00901)

**The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney):** By working collaboratively with our partners in local government, business and the third sector, we will deliver a strong recovery that meets needs specific to each area. For example, the Glasgow city region deal empowers Glasgow and its city region partners to identify, manage and deliver a programme of investment to stimulate economic growth and create jobs in the area, thereby supporting the region to achieve its shared long-term vision for the local economy.

The Government is actively involved in dialogue on the city region deal, and we will continue that dialogue, with our focus being on recovery from the Covid-19 pandemic.

**Pauline McNeill:** A report that was published last week by PWC said that Glasgow had slower

growth than Aberdeen and Edinburgh in 2021, and that that would continue this year. The United Kingdom average growth across 50 cities that were measured in the report was 7.4 per cent, but, worryingly, Glasgow is at only 4.4. per cent.

Yesterday, the House of Commons Scottish Affairs Committee published an excellent report. It highlighted that the bosses of AGS Airports, which own Glasgow and Aberdeen airports, have said that the pandemic

“has ... set us back decades”,

not just because of

“loss of passengers”,

but because of

“loss of connectivity”

to the whole of Glasgow and its city region.

What more evidence does the Government need that Glasgow is in trouble and needs more assistance and special attention? Will the Government elaborate on what intervention it would make to help the Glasgow city region?

**John Swinney:** I acknowledge the importance of ensuring that every part of the country is supported to recover, and it is vital that that is the case in Glasgow and the city region. The Government is engaged with the city region partnership. We use a range of interventions and measures to enhance transport infrastructure and ensure that there is adequate connectivity. Ministerial colleagues are actively involved in discussions on these matters with the relevant organisations.

We have made significant skills investment in the college and university sector in Glasgow and the west of Scotland, to make sure that the skills that are required for the future are adequately delivered and to support the recovery of key sectors that have been affected by the pandemic.

If we look at the overall position on economic recovery, we see that the economy is broadly back to where it was before the pandemic. The key challenge is to make sure that the many strengths of the city of Glasgow and its surrounding areas are built on, to ensure that all citizens can appreciate and enjoy the opportunities of economic growth. That is at the heart of the dialogue between the Government and local authorities.

**Bill Kidd (Glasgow Anniesland) (SNP):** How much will Glasgow stand to benefit from the regional economic partnership fund? How does the Scottish Government envision that funding supporting Glasgow’s economic recovery?

**John Swinney:** The funding to which Mr Kidd refers is important, and we have to consider the

ways in which it can have an effect on economic opportunities in the city of Glasgow. Applications are being assessed by officials, and I can confirm that Glasgow has submitted an application. Decisions will be made in due course and applicants will be notified.

The objective of the partnership is to support internationalisation of the regional economy and ensure that the foundations of the city and regional economy are secure for the long term. That will lie at the heart of decision making about the fund.

**The Deputy Presiding Officer:** That concludes portfolio questions on Covid-19 recovery and parliamentary business.

## Net Zero, Energy and Transport

**The Deputy Presiding Officer:** We move on to questions on the net zero, energy and transport portfolio. If a member wishes to ask a supplementary question, they should press their request-to-speak button or enter R in the chat function during the relevant question.

Annie Wells joins us remotely for question 1.

### Energy Company Obligation 4

1. **Annie Wells (Glasgow) (Con):** To ask the Scottish Government whether it will provide an update on when it is scheduled to meet with United Kingdom Government ministers to discuss the implementation of the energy company obligation 4 scheme in Scotland. (S6O-00902)

**The Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights (Patrick Harvie):** The energy company obligation is a UK Government scheme. Although the ECO4 scheme is scheduled to begin in April 2022, the design of the scheme has not been confirmed by the UK Government.

Since June last year, we have repeatedly attempted to engage with UK ministers on the future of the warm home discount scheme and ECO, but our approaches have not been answered. I would welcome a meeting with UK Government ministers to discuss how ECO can better tackle fuel poverty and deliver a just transition in Scotland.

**Annie Wells:** I have been in touch with energy businesses in Glasgow, which are extremely concerned about the lack of communication from the Scottish National Party-Green Government about the transition period between the ECO3 and ECO4 schemes. They have revealed to me that if there is no confirmation of a transition period, they fear that, when ECO3 expires in just eight days' time, many jobs in Glasgow could be relocated to England and Wales.

Will the minister urgently clarify that an ECO3 interim period will apply in Scotland, to help to save those jobs?

**Patrick Harvie:** I very much appreciate the frustration that many people have with the lack of clarity. Clarity is needed. However, it is the UK Government that has refused to confirm the design of the ECO4 scheme. Even though that scheme is due to come into force in April, we do not anticipate seeing the regulations that will be laid to define it until April.

Some of the changes that were signalled in the UK Government's response to the public consultation appear to be based on the English definition of fuel poverty. That might limit the number of eligible Scottish properties.

For clarity, let me say that we have known for a long time that this change was coming. In February 2021, the Scottish Government proposed combining the warm home discount and ECO schemes into a single more flexible fuel poverty scheme in Scotland. Scottish ministers wrote to their UK counterparts in June, in October and in December to ask whether that approach would be acceptable to the UK Government, and we have still not had an answer from it one way or the other.

### Offshore Energy Sector (Skills Transition)

2. **Mercedes Villalba (North East Scotland) (Lab):** To ask the Scottish Government what steps it is taking, in relation to green skills, to remove barriers facing offshore oil and gas workers in transitioning to green jobs in the offshore energy sector. (S6O-00903)

**The Minister for Green Skills, Circular Economy and Biodiversity (Lorna Slater):** I am pleased that OPITO, with Scottish Government support through the energy skills alliance, is making excellent progress towards the enabling of a skills passport.

In the coming months, the ESA will publish its skills transition plan, which will set out work to date and next steps. There has been great progress in what is a complicated and important piece of work, which will support the offshore workforce in its transition journey.

**Mercedes Villalba:** I look forward to meeting the minister tomorrow, alongside trade unions and climate campaigners, to discuss the need for an offshore training passport.

Another barrier that faces offshore oil and gas workers in transitioning to green jobs is the poor employment practices in the offshore wind supply chain. The Scottish Government often talks about its commitment to fair work, so will it support

sectoral collective bargaining in the offshore wind industry?

**Lorna Slater:** I look forward to meeting the member tomorrow to discuss progress on the offshore skills passport.

The Scottish Government absolutely supports workers. In “Scotland’s National Strategy for Economic Transformation”, the member will see that we support collective bargaining and workers having more of a say in how their jobs are executed.

**Liam Kerr (North East Scotland) (Con):** In a written answer to me, the Minister for Just Transition, Employment and Fair Work, Richard Lochhead, admitted that, having delivered only approximately one in 20 of the offshore wind jobs that it forecast, the Government proposes to widen the definition of a green job. He proposes to use a different definition from the one that the Office for National Statistics—and therefore the rest of the United Kingdom—is using. Does the minister accept that widening the definition would give a distorted picture of how the Government is really performing on the creation of green jobs and that it will make it impossible meaningfully to compare that with performance in the rest of the UK?

**Lorna Slater:** The discussion of what a green job is is absolutely a live one. It is fair to say that, in the future, all jobs will be green jobs. Tackling the climate crisis is not something that we can put in a box.

**Jamie Greene (West Scotland) (Con):** How can it be green if you do not have one?

**Lorna Slater:** Everybody needs to play their part; all sectors need to play their part. Of course, it is useful to have a definition when we are planning training and investment, but it is correct that the Scottish Government—[*Interruption.*]

**The Deputy Presiding Officer:** Minister, please resume your seat for a second. I call for some courtesy from Conservative members, please.

Please resume, minister.

**Lorna Slater:** It is absolutely right that Scotland develops a definition of green jobs that is appropriate for our workforce and our industry here.

**The Deputy Presiding Officer:** Question 3 was not lodged, and question 4 was withdrawn.

### Net Zero (Fiscal Measures)

5. **Michelle Thomson (Falkirk East) (SNP):** To ask the Scottish Government what ministerial discussions have taken place regarding whether its net zero ambitions could be supported through

the introduction of new fiscal measures. (S6O-00906)

**The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson):** Ministers regularly consider new policies, proposals and fiscal regulatory measures to accelerate our transition to net zero. While Scottish ministers endeavour to take all action required to reach net zero, many levers sit within reserved competence. For example, transmission charging sits with the UK Government, and that acts as a disincentive to renewable energy investment in Scotland. It is therefore essential that the UK Government works with the Scottish Government to ensure that fiscal measures support our net zero ambitions.

**Michelle Thomson:** Not only will the ambitious net zero targets set by the Scottish Government require to be funded; the frameworks need to be developed, too. That cannot be done in isolation without consideration, by those with the full fiscal levers, of what measures could be utilised. Given the scale of the challenge and the fact that the majority of green tax powers are reserved to the UK Government, does the cabinet secretary share my concern at the recent Westminster Public Accounts Committee report, which noted that the UK

“Government has no clear plan for how the transition to net Zero will be funded”?

**Michael Matheson:** Given that a number of the crucial levers, including but not limited to green tax powers, are reserved to the UK Government, I share the member’s concern, referring in particular to the issues that have been highlighted by the Public Accounts Committee about the UK Government’s lack of any

“clear plan for how the transition to net Zero will be funded.”

Prior to publication of the UK Government’s net zero strategy, we made consistent calls for action to be taken in a number of crucial areas that are within reserved competence. Although the strategy contained a number of positive steps to be taken to support achievement of net zero, it was a concern that there was no clear indication as to how those actions would be pursued at fiscal level. That is why it is absolutely essential that the UK Government works with the Scottish Government in ensuring that the fiscal measures that are within the hold of the UK Government also meet Scotland’s ambitious climate change targets.

As I have highlighted, transmission charging, for example, acts as a disincentive. It is therefore essential that the fiscal measures are consistent with achieving net zero by 2045.

**Office of Gas and Electricity Markets  
(Meetings)**

**6. Collette Stevenson (East Kilbride) (SNP):**

To ask the Scottish Government when it last met representatives from the energy regulator, Ofgem, and what was discussed. (S6O-00907)

**The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson):** I last met Ofgem's board, the gas and electricity markets authority, on 9 February 2022. That was a general catch-up with the board, but the main topics discussed included the price cap announcement, the outcome of Crown Estate Scotland's ScotWind leasing round and transmission charges. Scottish Government officials continue to meet and engage with Ofgem on a regular basis.

**Collette Stevenson:** With rising energy costs and the increase to the price cap, the Tory cost of living crisis is about to escalate. Can the cabinet secretary set out the average cost per household of United Kingdom Government-imposed VAT and energy policy costs, and does he agree that the Tories must cut VAT from household energy bills and immediately implement a fairer warm home discount scheme to support people?

**Michael Matheson:** Ofgem has estimated that the VAT component of the average household's dual fuel energy bill will be around £60 per year and policy costs added are over £150 more. I have taken the issue up with the UK Government on a number of occasions and have asked it to consider a temporary cut to VAT.

Alongside that, we have asked it to take action on the warm home discount scheme and to review the socioenvironmental costs that are included in energy bills. We believe that those actions could collectively help to support families who are facing spiralling energy costs, which are adding to the wider cost of living crisis that the Conservative Government is responsible for. That is why it is essential that the UK Government takes proper concerted action to address the crisis.

Sadly, that was lacking in the spring statement, and the reality is that households will still face very considerable energy costs alongside other rising costs of living, which the UK Government is responsible for taking action on.

**The Deputy Presiding Officer:** I have a number of supplementary questions, and I intend to take all of them. The first is from Elena Whitham, who joins us remotely.

**Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP):** For many rural households in my constituency who are off grid and use oil as their primary source of heating, there are no price-cap protections. Many people are seeing price increases from around 50p to £1.40 per litre, with

minimum delivery quotas and payment required on delivery. Does the cabinet secretary agree that the UK Government must intervene to tackle the unregulated heating-oil industry and prevent uncertainty and extreme fuel poverty for rural households?

**Michael Matheson:** That area of the energy market is unregulated, and we have raised the issue consistently with the UK Government. It impacts particularly on people who live in rural areas of Scotland, and I recognise the points that the member makes on behalf of her constituents who have had significant increases in the cost of oil for heating systems. That is why we believe that there is a need for proper regulation in the sector to protect households and address the ever-increasing costs that those who rely on oil heating face. It is a policy area that we want the UK Government to take action on urgently.

**Foysoil Choudhury (Lothian) (Lab):** A constituent has recently argued that they believe that the estimated energy bill that they were given during the latest wave of the pandemic was excessive. Has the Scottish Government had any discussion with Ofgem on the use of estimated bills when meter readings cannot be taken?

**Michael Matheson:** That area is regulated by Ofgem. If the member has a particular concern about a constituent's circumstances, he can pursue that directly with Ofgem and ask it to consider the complaint. Estimated bills have a role to play for some households, but there is a process that can be used for individuals to ask for that to be revised on the basis of their submitting a reading.

If the member's constituent continues to experience problems, advice can be provided on pursuing those issues with their energy supplier to ensure that their energy bill reflects their use of energy, given that their previous bills have been based on estimates.

**Maurice Golden (North East Scotland) (Con):** My question relates to the targeted charging review of transmission demand residual. Ofgem analysis of domestic consumers highlights that the no-floor approach could result in consumers in north Scotland receiving credits that are driven by consumption during the evening peak. A floor approach shows that that would result in an overall decrease in transmission network use of system—TNUOS—charges for typical domestic consumers, apart from those in Scotland. For north Scotland in particular, Ofgem notes that charges will increase compared with current charges, given the assistance for areas with high electricity distribution costs—AAHEDC—policy. The north-east pays more again. Does the cabinet secretary agree with flooring the forward-looking charge at zero?

**Michael Matheson:** What I agree with is that the existing system is not fit for purpose, which is why the whole system needs to be changed.

We have a system now in which the predominant TNUOS charging regime is based on providing energy as close to the consumer as possible. However, the reality is that, as we move to a net zero age, the vast majority of energy will be much more distant from centres of population. That is why it is important that any regime that we have in place is one that is reflective of the need to move to net zero.

In addition, any price cap mechanisms that are introduced on the back of that and alongside those measures need to be reflective of the situations of households, including households in our rural areas. As yet, Ofgem has failed to take forward an approach that is reflective of the needs in Scotland.

**The Deputy Presiding Officer:** Question 7 has been withdrawn.

#### “Is Scotland Climate Ready?” (Response)

**8. Brian Whittle (South Scotland) (Con):** To ask the Scottish Government what its response is to the Climate Change Committee’s latest report “Is Scotland Climate Ready?”, which states that progress in delivering climate change adaptation measures in Scotland has stalled. (S6O-00909)

**The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson):** Preparing for the locked-in impacts of climate change forms a key part of a just transition, and we are making real progress on that. That progress includes an extra £150 million for flood risk management and £12 million for coastal change adaptation over this parliamentary session.

We are pleased that the Climate Change Committee supports our vision for a climate-resilient Scotland. However, we accept that more needs to be done. This is a global challenge, and we are not alone in needing to accelerate progress. We are now considering the committee’s recommendations, and we will respond to them in due course.

**Brian Whittle:** I thank the cabinet secretary for that answer, but perhaps I can help him give the real answer to Michelle Thomson’s questions about the concerns around reaching Scotland’s net zero targets. The Climate Change Committee’s report is scathing in its criticism of the Scottish Government. It says that

“action is not being implemented with sufficient scale and urgency”,

that there is no

“credible planning to adapt farmland habitats and species”,

and that there is a

“gap in planning for maintaining a weather-resilient energy system”

and

“insufficient inclusion of adaptation in plans for many key infrastructure sectors”.

It contains repeated criticisms of

“a critical lack of relevant datasets to assess ... progress”

making it difficult to properly assess progress or evolving risk.

When will the Scottish Government realise that the success of its plans will not come from good headlines but from actually doing the hard work?

**Michael Matheson:** If the member’s interpretation of the report is that it is scathing about the Scottish Government, I wonder what that means for the UK Government and its failure in this area of policy, given the comments that the report makes about the United Kingdom Government and the fact that the Scottish Government is ahead of it in climate adaptation.

I am sure that the member, as we would often expect from the Opposition, will be selective about the aspects of the report that he chooses to mention. For example, he could pick up on the report’s highlighting of the progress that we are making in transport on rail and climate change and the way in which we are taking forward policies to provide greater resilience there; or the fact that

“Progress has been made in planning for adaptation in commercial forestry”,

which is, again, highlighted in the report; or a number of other areas where the report highlights that Scotland is demonstrating strong and clear leadership in those areas.

However, clearly, we need to do more. That is certainly what we intend to do, and we will respond to the recommendations in the report, which rightly raises the challenge that climate adaptation has to be measured against the same actions that we take when tackling climate change overall and that we need to make sure that they are treated in an equal fashion. That is why we are putting increased funding into a range of areas to help to support the embedding of our actions to tackle climate adaptation. We will look to do more of that as we move forward.

**Willie Rennie (North East Fife) (LD):** I do not think that most people would agree with the cabinet secretary that the measure of success is being marginally better than the Conservatives.

A vision counts for not very much when the action is not delivered. The report says very clearly:

“The majority of Scotland’s shoreline is not covered by Shoreline Management Plans”.

I am deeply concerned about many properties and a lot of land in my constituency. What is the cabinet secretary doing to make sure that those plans get delivered, and soon?

**Michael Matheson:** I concede that measuring ourselves against the Conservative Party in Government at Westminster is not a high bar to set. However, I assure the member that we are certainly doing more than the low bar that that Government consistently operates at.

The member may be aware that we are already taking forward the second phase of the dynamic coast project, which I launched in August last year, in Montrose. A key part of the project is the modelling work that is being undertaken to look at coastal erosion and the potential risks in individual parts of the country—no doubt including areas of the member’s constituency. That particular piece of work is being done to understand the areas of risk and the potential mitigations that need to be put in place in order to manage that risk.

That work is happening just now. The member will appreciate the complexity and some of the challenges involved but the dynamic coast project is there specifically to try to address the type of concern that the member has raised, and we are providing funding to try to support local authorities in taking forward some of the mitigation measures that are necessary in order to address the issue of coastal erosion.

**Jackie Dunbar (Aberdeen Donside) (SNP):** Does the cabinet secretary agree that, although there is clearly much more to do, the Scottish Government’s efforts and ambitions around tackling the climate crisis have been widely recognised, including by Chris Stark, the chief executive of the United Kingdom Climate Change Committee, who said on “Good Morning Scotland” recently that the Scottish Government “has been noticeably better” than other parts of the UK

“at putting a vision around ... what it wants to do to make Scotland more resilient”

in terms of climate, and also said that

“We don’t see that, for example, from DEFRA in the UK”?

**Michael Matheson:** I recognise that we are making progress on this. The report recognises that we are making progress on it but also calls for us to do more in order to show greater urgency in tackling the issue of climate adaptation.

We are doing more than other parts of the UK and we are further ahead than other parts of the UK, although I recognise that, at Westminster, the bar is low. Having said that, we also need to recognise that there are further measures that we need to take. That is why there is the £150 million

for flood risk management and the £12 million for coastal adaptation that I referred to, as well as the investment that we are putting into areas such as peatland restoration. Those are all measures that help to support our climate adaptation work, alongside the investment of £60 million in climate adaptation on our trunk road network. However, we need to look at what more we can do to adapt to the changing climate that we face, and members can be assured that this Government is determined to do that and to continue to show the leadership that is necessary, not just here in Scotland or in the UK but internationally, on tackling climate adaptation.

**The Deputy Presiding Officer:** That concludes portfolio questions on net zero energy and transport. There will be a short pause before we move to the next item of business.

## Ferguson Marine (Port Glasgow) Holdings Limited

**The Presiding Officer (Alison Johnstone):** The next item of business is a statement by Kate Forbes on Ferguson Marine updates. The cabinet secretary will take questions at the end of her statement, so there should be no interventions or interruptions.

14:53

**The Cabinet Secretary for Finance and the Economy (Kate Forbes):** The statement is in response to the report that has been published today by Audit Scotland and the updated ferries delivery schedule from the chief executive of Ferguson Marine, a copy of which has been sent to the Net Zero, Energy and Transport Committee.

We are crystal clear about what we expect from Ferguson Marine in terms of delivering vessels 801 and 802, as well as in terms of turning the business around to be competitive. I recognise the critical nature of completing 801 and 802 for the sake of island communities; like some other members, I come from the Highlands and Islands, and many of my family members and friends are dependent on lifeline ferry services. I understand the urgency and the necessity of delivering the vessels as quickly as possible.

We do not manage the yard directly, but the chief executive is accountable to the board and the board is ultimately required to deliver on our clear expectations for the business. I meet the chief executive fortnightly and I meet the chair every six weeks to press the board and the management to drive the programme as hard and as fast as possible, in order to successfully complete the vessels.

Let me be clear with Parliament: I expect the yard, as a priority, to complete the vessels successfully and at the fastest most achievable pace; to turn around its operations so that it is competitive, productive and efficient; and to win and secure a future pipeline of work on the basis of its operations

I also meet trade union representatives and the workforce, and have heard at first hand the impact on their morale of the challenges and of the very public criticism of the yard. Many of them have worked in the yard for decades; they know their trade and they know the yard. Their insights have been invaluable.

Parliament knows the challenge that we took on when we rescued Ferguson's from administration in 2019, but we saved hundreds of jobs and the future of commercial shipbuilding on the Clyde. It was the right thing to do. We stand by our

commitment to the shipbuilding communities in Inverclyde and to our island communities that rely on the vessels that the yard will deliver.

The challenges have been great. The initial report on the state of the yard in December 2019 set out the scale and depth of the business turnaround that would be required to put Ferguson Marine on to a stable footing. Undoubtedly, Covid has slowed the turnaround efforts. The yard has twice had to shut down due to Covid and has worked at reduced capacity for many months as a result of the necessary distancing requirements that were in place, Covid sickness absence and self isolation.

Despite the mammoth task, progress is being made. A new permanent chief executive has been in post since February, with fresh eyes and a new approach. He has created a more collaborative culture and is working more closely with Caledonian Maritime Assets Ltd, whose employees—it is well known—have had differences of opinion with Ferguson's leadership about progress at the yard. The chief executive has bolstered his senior team with an experienced secondee from CMAL, thereby embedding a closer direct relationship with the yard. Crucially, the Ferguson Marine team is actively pursuing vessel opportunities and is back to being a serious contender for future vessel contracts.

It goes without saying that progress has not been as fast as we would have liked, which has been largely due to on-going legacy issues. The then turnaround director of Ferguson's wrote to the Net Zero, Energy and Transport Committee on 9 February highlighting a legacy issue around cabling that would impact on the vessels' schedule and cost. Those problems happened before Scottish Government ownership, and although the board has no visibility on work that happened before we brought the yard into public ownership, it is important that lessons be learned. The chief executive of Ferguson Marine has written to committee today quantifying the impact of that legacy issue. As part of his consideration of the delay that is associated with the legacy cabling, the chief executive has critically reviewed the delivery schedule in its entirety.

The cabling issue will cause a direct four-month delay on vessel 801. The chief executive believes that, given the emergence of legacy issues, an additional four months is required, and so his letter sets out that there will be a maximum delay of eight months in the delivery of 801. Delays on 801 will inevitably lead to delays on 802. However, Ferguson Marine believes that it can reduce the delay on 802 to six months, which means that 801 will be delivered between March and May 2023, and 802 between October and December 2023.

It is important to note that the estimates have been developed in collaboration with CMAL. I will not rehearse my frustration, nor Parliament's frustration, about that updated timetable. The Ferguson Marine board and chief executive are aware of the depth of my dissatisfaction about the emergence of the cabling issue and the knock-on impact on the timetable. I have made it very clear that the vessels must be delivered in line with that schedule.

There is also a cost increase that comes with that extension of the programme. The chief executive has confirmed an additional £8.7 million will be required. Of that cost, £825,000 directly relates to cabling and £7.875 million relates to overhead, labour and material costs that are associated with the new schedule. As such, the cost to complete the ferries will increase to between £119 million and £123 million. I have agreed to additional funding to ensure that the vessels are completed.

I am also taking the opportunity to make provision for previously unbudgeted warranty costs of £3.5 million, to provide a builder's warranty and warranty cover in respect of equipment whose warranties have time expired. That is completely separate to the cabling and schedule costs that I outlined above. The warranty costs were not unknown, but in the spirit of transparency I want to quantify those costs.

I turn to Audit Scotland's report on the arrangements to deliver the ferries. The report reflects fairly on the complex issues that have mired the history of the build-out of the ferries and which underpin many of the legacy issues that Ferguson's is dealing with today.

The report says that

"The turnaround of FMPG is extremely challenging"

and it highlights that

"FMPG has implemented some of the significant operational improvements that were required at the shipyard".

Nonetheless, there is no denying Audit Scotland's view that

"work on the vessels has taken longer than expected, and ... Covid-19 ... has delayed progress."

I fully accept the Audit Scotland report's recommendations on Ferguson Marine in public ownership, and work is already under way on a number of the recommendations. Collaboration between Ferguson Marine and CMAL has been considerably strengthened. Officials are working with Ferguson Marine on its business case for investment, and will continue to do so in order to deliver a competitive and sustainable business.

The Audit Scotland report makes reference to a range of reports and an appropriately complex governance structure. In the interests of openness and transparency, later today I will proactively publish documents on the Scottish Government website. I hope that those documents, as well as other contextual information, will help people who are in less proximity to the issues to understand the full picture.

Across the chamber, there is a shared belief in the importance of the vessels, so it is critical that we see them in service as soon as possible, for the benefit of our island communities. I reiterate that there are no ifs or buts—the vessels must be completed as quickly and effectively as possible.

The board and leadership of Ferguson Marine know where I stand on the issue, and they expect to be held to account for delivery of these crucial ferries, in line with the new schedule that they have communicated to Parliament today. Until those vessels are serving the communities for which they were built, we will not let up in our drive and determination to get them finished.

**The Presiding Officer:** The cabinet secretary will now take questions on the issues raised in her statement. I intend to allow around 20 minutes for questions, after which we will move to the next item of business. I would be grateful if members who wish to ask a question could ensure that their cards are in place and that they have pressed their request-to-speak buttons.

**Graham Simpson (Central Scotland) (Con):** I thank the cabinet secretary for the advance sight of her statement and a copy of the letter from Ferguson's that was sent to the Net Zero, Energy and Transport Committee.

The Auditor General's report is scathing. It should make uncomfortable reading for ministers and, frankly, they should be ashamed. We now learn from the cabinet secretary that, as well as further delays, extra costs of at least £8.7 million will be involved in the project to deliver ferries 801 and 802.

I am not going to give a big preamble, because we will come to a debate on ferries later, so I have just a few questions. Based on what the cabinet secretary has told us and what is in the Auditor General's report, there is a bit of confusion over costs. The Auditor General says that

"the total cost of the ... project is currently estimated to be at least £240 million",

which is significantly more than the cabinet secretary told us.

In addition to that, who is to blame for the cabling problem? I might have this wrong, but the cabinet secretary seems to suggest that it was the people who put the cabling in. I do not think that

that is true. I think that the problem happened after the cables went in. Can the cabinet secretary give a clear and simple answer to that question?

Finally, on the report from the Auditor General, why did ministers ignore CMAL's advice not to award the contract to Ferguson's? Will the cabinet secretary now agree to hold a public inquiry?

**Kate Forbes:** I will try to be brief with my answers, but I want to do those questions justice.

On the point around costs, I cited the cost to complete the ferries versus what was communicated to Parliament in December 2019. In terms of the overall cost, the member is right to cite the Audit Scotland figures; the cost on which I am updating Parliament is the total additional cost that is associated with the letter that has been communicated to Parliament today, which will be between £122.5 million and £126.5 million. That includes the entirety of the costs in terms of the warranty, today's update and the costs that were previously communicated to Parliament for completion of the vessels. If there is still confusion, it is easy for me to set out the matter in a written communication to the member.

The cabling issue relates entirely to legacy cables. The cabling was installed by Ferguson Marine Engineering Ltd contractors in late 2018 and early 2019, which was entirely prior to the yard coming into public ownership. It was during planned electrical works for 801 that the issue with the length of the cabling was discovered by the yard.

The legacy cables issue relates to cables that were not already planned for replacement. I want to be clear that we are talking about legacy issues that arose prior to the yard coming into public ownership, and it is during the process of essentially commissioning the vessel that we are discovering where there are still issues. The cabling was installed by a reputable contractor, and the yard had no reason to suspect that there was a problem with it until it started to connect the equipment.

The member asked about an inquiry. The Audit Scotland report is comprehensive, thorough and fair. We have also had the Scottish Parliament committee report on an inquiry, which was chaired by the member's colleague Edward Mountain. Therefore, there have been two fairly thorough inquiries into the issues.

If I recall correctly, the last point was around interventions by the Scottish Government at an earlier point. The member is shaking his head, so I think that I have answered his three questions.

**Neil Bibby (West Scotland) (Lab):** I thank the cabinet secretary for the advance sight of her statement. The problem is that islanders have

heard it all before—more delays and rising costs. The ship has sailed on Scottish National Party excuses.

From the very start, ministers did not put in place the normal financial safeguards. Why? Can we get the latest total cost for both ferries in writing today? It is time for the Government to take responsibility. The cabinet secretary says that she is holding the new board accountable. I am sorry, but it is the cabinet secretary who is accountable.

We have heard again the tough talk about “no ifs or buts” and that the ferries must be delivered as soon as possible. The ferries are already estimated to be five years late. The reality is that the only chance that islanders have of seeing a new ferry this year is if they take a holiday to Marmaris.

The question for the cabinet secretary is, will she stake her reputation on this, or is it just more words? If it is not just words, will Kate Forbes confirm that, if the ferries are not ready by May and December 2023, she will resign? If she is not confident enough to stake her position on that, why should islanders have any confidence in what she is saying now? What is the point in her being responsible for the issue if she is going to keep passing the buck?

**Kate Forbes:** I remind the member that, for the past five years, I have represented communities that rely on lifeline services. I am accountable to them, as we all are after every election. With regard to the “tough talk”, as he calls it, what we have committed to today is clear. The chief executive has updated Parliament on the updated schedule. Critically, and perhaps this is fairly new, that has been endorsed by CMAL. CMAL and Ferguson Marine are working together to ensure that we have a schedule that is achievable and that we can stand by and cost in order to deliver.

I have been clear with them that we expect the schedule to be delivered. I have set out the reasons for that schedule, as per the chief executive's letter, and I have broken down the costs. However, as I said to Graham Simpson, if there is still confusion about the costs, I am happy to ensure that the information is committed to paper so that Neil Bibby fully understands it.

**Kenneth Gibson (Cunninghame North) (SNP):** I welcome the clarity in the cabinet secretary's statement on why we are where we are and how we will move forward. When MV Glen Sannox and vessel 802 were ordered, my Arran constituents looked forward to a state-of-the-art vessel serving the island that would be much more resilient and reliable in bad weather. Can she confirm that, when the boat enters service, that will indeed be the case?

**Kate Forbes:** The short answer is yes. Communities can have confidence that the vessels will perform in service and improve the network. They will not enter service before rigorous assessment has been done to ensure that they meet the required specifications from CMAL, which, as an adviser to the Scottish Government, maintains a presence in the yard. The vessels will not be handed over for delivery unless they are satisfactory and can deliver the requisite service. They will also not be able to enter service until they have received all the clearances that are required by the Maritime and Coastguard Agency and have classification society approval from Lloyd's Register.

I hope that that gives Mr Gibson the clarity that he needs. I remind him that, when the vessels are delivered, they will aid my island constituents, too.

**Liz Smith (Mid Scotland and Fife) (Con):** The whole ferries fiasco comes hard on the heels of plenty of other examples of SNP mismanagement of taxpayers' money—the cases of Burntisland Fabrications, Prestwick airport and Rangers administrators, to name just three—and of Audit Scotland's concerns that there is insufficient transparency from Scottish Government ministers about public spending. Will the Scottish Government commit to Scottish Conservative plans that ministers should open the books regularly and that we should have a formal finance bill procedure in Parliament so that we can have effective scrutiny of what the Government is spending taxpayers' money on, in order that such a fiasco never happens again?

**Kate Forbes:** We accept and agree with in full the recommendation in the Audit Scotland report on transparency and accountability, particularly when it comes to investments in private businesses. It calls on us, in line with the new framework for investing in private businesses, to improve the transparency of our investment decisions. Work is on-going on that, and we have already made changes. I am happy to update the member when that work is fully complete.

In relation to more general commitments, I take some issue with the member's suggestion that work to complete the vessels and save the yard is, in her words, a waste. I stand by the decision to complete the vessels. We will complete them, and we have secured the future of the yard. The money that we are spending on completing the vessels is important money.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** The cabinet secretary will be aware of the pressures on existing services and vessels that serve North Uist and Harris. Delays at Ferguson's yard have certainly contributed to those pressures and to the human consequences of them. Can the cabinet secretary give an indication of how the

new vessels will be utilised to alleviate some of the pressures and problems in my constituency and elsewhere?

**Kate Forbes:** The member is right to highlight the vital role that the vessels will play and to confirm why it is critical to pursue their completion, contrary to what others might suggest. Those who have been most affected by the delays are those who live in his constituency and in other constituencies along the west coast, in particular.

We need the vessels to provide additional capacity and resilience, and we are already carefully considering the best deployment options in discussion with CalMac, CMAL and service users. Options include the potential for a two-vessel service for Harris and North Uist on the Skye triangle routes—that option was previously raised by those communities—although further consideration is required of the operation and affordability of that proposal. There is also the opportunity to consider maintaining a relief vessel in the fleet for a period of time.

In advance of the new tonnage being made available, the MV Loch Frisa, a new vessel, is expected to enter service soon, which will improve the Craginure to Oban route, particularly in the winter. It will also allow for additional sailings to be made on the Lochboisdale to Mallaig route and for additional capacity on the Mallaig to Armadale service.

**Rhoda Grant (Highlands and Islands) (Lab):** We all know, and the cabinet secretary knows, that the blame for the fiasco sits squarely with her Government. Will she guarantee to members that those boats will come into service for our outer island communities?

**Kate Forbes:** As I said in my statement, I confirm that we are committed to getting the vessels completed and delivered. As I said, some people would prefer that we had given up, but we have not given up and we stand by our commitment to deliver the vessels.

**John Mason (Glasgow Shettleston) (SNP):** We absolutely must keep commercial shipbuilding on the Clyde. In her statement, the cabinet secretary mentioned the skills of the current workforce. Can she say anything about maintaining and building on those skills, for example through apprenticeships?

**Kate Forbes:** Ferguson Marine boasts an impressive apprenticeship programme. Although the discussion about the work is now focused on the completion of the two vessels 801 and 802, the yard has delivered three smaller vessels since nationalisation—hull 803, hull 804 and hull 805.

On opportunities for apprentices, 43 apprentices are spread across various disciplines—welding,

fabrication, mechanical fitting and design engineering—and 38 of them are working towards their level 3 Scottish vocational qualifications. In 2022, another 15 apprentices will join the programme.

**Willie Rennie (North East Fife) (LD):** The cabinet secretary tries desperately to distance herself from the ferries fiasco, but those ferries were contracted by Government-owned CMAL, paid for by the Government and built initially by a company that is celebrated by the Government—and the Government owned the company when it collapsed. However, no minister has ever faced the music. If the latest delayed deadlines are not met, will the cabinet secretary resign?

**Kate Forbes:** Contrary to what Willie Rennie just said, absolutely no distancing is going on here. I have set out clearly and robustly in my statement that we are committed to completing the vessels for the sake of island communities, many of which I represent directly; to ensuring that the yard has a future; and to ensuring that we protect jobs. We stepped in to do that, and I stand by the 2019 decision to step in to ensure that neither vessels nor jobs were lost.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I welcome the secondee from CMAL to Ferguson's, who will help with the job that needs to be done. It is important that the Scottish Government is clear in its expectations for the yard. However, the new chief executive has only recently been appointed. Does the cabinet secretary agree that it will be important for him to be given time, space and support as he begins to get the yard back on track?

**Kate Forbes:** Stuart McMillan raises an important point. Ultimately, it is important that the people who are working on the ground in the yard, which includes worker representatives, employees more generally and yard leadership, inform our debates and discussions about the yard.

I have set out again my priorities for the yard's management. We are engaging regularly with the new chief executive and, as a shareholder, we will continue to support the yard to achieve its goals in any way that we can. I reiterate the point that I have made today that the boats must be completed as quickly as possible. The board and leadership at Ferguson Marine know where we stand on that point. They have a plan in place; they have made substantial changes already; and progress has been made against Audit Scotland's recommendations. We will continue to build on that progress.

**Maggie Chapman (North East Scotland) (Green):** The recent appalling behaviour by the bosses at P&O Ferries highlights the weaknesses of poor management and poor oversight of vital

transport services, and points to the need for strong industrial relations. The cabinet secretary mentioned regular meetings with trade union representatives and their clear skills and expertise. How can we ensure that these workers play a key role in future work that is vital for the long-term sustainability of the yard and their jobs? How can we reassure people who rely on lifeline ferry services that the deprioritisation of service support in next year's budget will not have a negative impact on the delays and cost escalations that were announced today?

**Kate Forbes:** As I said in my statement, input from workers and trade union representatives has been invaluable as we try to get to the bottom of what is needed to make progress at the yard. I have valued their input and meeting them at the yard itself.

The input of workers and trade union representatives, management and CMAL has ensured that we have been able to make progress. We clearly need to build on that and complete the vessels. Ultimately, our three priorities for the yard are completing the vessels, turning the yard around and saving jobs. Had we not intervened, that would not have been the case.

**Jenni Minto (Argyll and Bute) (SNP):** In order for it to successfully win new contracts, it is important that work to increase the yard's efficiency and competitiveness continues. Will the cabinet secretary provide an update of the steps that Ferguson's is taking to improve its competitiveness?

**Kate Forbes:** The best way to secure a sustainable future for the yard is to ensure that it can compete for contracts on merit. We are working with the yard to support the development of a business case for investment to help to improve competitiveness, which is another recommendation of the Audit Scotland report.

Driving up day-to-day productivity is rightly an operational matter for the yard. From my discussions with the chief executive and chair, I know that the yard is already doing that as part of the programme that we set up. The yard has set quite clear targets for more efficient work planning so that the use of labour and materials is better focused. One small example of that is the creation of the permit-to-work office on the ship, so that walking on and off ship is minimised.

A lot of investment has been made and there has been a lot of progress. We must keep driving ahead so that Ferguson's can secure a long-term future.

**Jamie Greene (West Scotland) (Con):** Here is a straightforward question. If the Scottish Government is so keen for Scotland's proud shipbuilding history to flourish in the modern age,

why on earth are we building our new ferries in Turkey and not on the Clyde?

**Kate Forbes:** I have two things to say to Jamie Greene. Based on the questions of some of his colleagues this afternoon, some people might assume that he would have preferred shipbuilding on the Clyde to be shut down a number of years ago. There is therefore an irony at the heart of his question. Through Government interventions, we protected shipbuilding on the Clyde in the first place.

The second point is on the procurement that Jamie Greene asks about. Ferguson Marine is working to complete the two vessels, and it is important for island communities that those vessels are completed. It is also important that we do not wait to procure two new vessels. I am sure that we will hear during the course of the debate this afternoon how critical it is that we supplement the vessels that are available.

We have made progress in procuring two new vessels, and I do not think that island communities want us to wait.

**Katy Clark (West Scotland) (Lab):** Islanders on Arran and other islands were asking for smaller vessels. Does the cabinet secretary now agree with the views of many that Ferguson Marine should have been awarded contracts for smaller, simpler ferries, which could have been constructed far more speedily for those islands?

**Kate Forbes:** The member is right. In the period since nationalisation, Ferguson Marine has completed three smaller vessels, which demonstrates that there are skills and capability at the yard.

I am sure that this afternoon's debate will cover ferry policy in more detail, and it is really important that the needs of communities are taken into account when it comes to procurement and design. That is essential. Vessels must be built for the purposes for which they are required. When a smaller vessel is more important, we should go with that, rather than building a vessel around a yard's capabilities.

**Liam Kerr (North East Scotland) (Con):** Given that the warranty on the engines for vessels 801 and 802 has lapsed, when did the Scottish Government first become aware of potential issues with the dual-fuel engines? Will the cabinet secretary comment on claims that they are now old technology, given the fact that they are already seven years old?

**Kate Forbes:** I am sure that I recently answered a written question from Liam Kerr on the same issue, so he will have that in writing. However, I am happy to respond again.

In terms of the provision that I have announced today for unbudgeted warranties on warranty-expired equipment and builders' warranties, those were already known about. Today, we have announced an estimate based on 5 per cent of the £70 million equipment costs, to ensure that there is as much transparency as possible around costings. When the vessels begin commissioning, which is targeted for May, that will be the ultimate test of equipment on board that might not have been used because the vessels are being constructed. That is why today's updated schedule takes into account the need to test legacy issues.

**The Presiding Officer:** That concludes the ministerial statement on Ferguson Marine updates.

## Ferries

### The Presiding Officer (Alison Johnstone):

The next item of business is a debate on motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries.

15:25

### Graham Simpson (Central Scotland) (Con):

When the then Rural Economy and Connectivity Committee published its report on the construction and procurement of ferries in Scotland in December 2020, it concluded that there had been

“a catastrophic failure in the management of the procurement of vessels 801 and 802, leading it to conclude that these processes and structures are no longer fit for purpose.”

That was no small claim from a cross-party committee, and one that should have made the Scottish Government and all its agencies sit up and take notice.

The committee called on the Scottish Government to commission an independent external review of the processes for public procurement of ferries. The Government did so. That report, “Project Neptune”, has been completed by Ernst & Young and is being sat on by Transport Scotland. Jenny Gilruth promised to publish it when I asked her about it last month, yet Transport Scotland continues to get its way. We demand that it be published in full immediately.

The Rural Economy and Connectivity Committee also called for the management of the ferries contract and the role that was played by Transport Scotland to be reviewed by Audit Scotland. That review has taken place and its conclusions, which have been published today, are damning. I will start with that, but I will also deal with the wider issues because at the heart of the matter is the fact that the Scottish National Party Scottish Government is letting down islanders and those who need to get to islands. That cannot go on.

Today, the Auditor General has been scathing in his criticism. His report lays bare the shambles of the contract to build the two ferries. Ministers were warned not to give the contract to Ferguson's. The cost is two and a half times the original budget, and ministers are tied into paying whatever it takes. The cost could go higher—it has done today, by £8.7 million, which is not a drop in the ocean. There are major failings at the shipyard that still need to be resolved. The Auditor General's report leaves the SNP holed below the waterline when it comes to its record on ferries.

Today, Stephen Boyle said:

“The failure to deliver these two ferries, on time and on budget, exposes a multitude of failings. A lack of transparent decision-making, a lack of project oversight, and no clear understanding of what significant sums of public money have achieved. And crucially, communities still don't have the lifeline ferries they were promised years ago.

The focus now must be on overcoming significant challenges at the shipyard and completing the vessels as quickly as possible. Thoughts must then turn to learning lessons to prevent a repeat of problems on future new vessel projects and other public sector infrastructure projects.”

Of course, the Auditor General's report says what we already know—that the project to deliver the two new ferries has been fraught with problems and delays over six years. Vessels 801 and 802 were originally expected to be delivered in May and July 2018 respectively, but they are now almost four years late, and we have heard about a further delay.

The total cost of the project is currently estimated to be at least £240 million—that was confirmed earlier—which is two and a half times the original vessels' budget, and there is apparently no limit to the final cost, despite what the cabinet secretary said earlier. According to the report, the Government is committed to paying any extra costs

“regardless of the final price.”

The Scottish ministers announced Ferguson Marine Engineering Ltd, which I will refer to as FMEL, as the preferred bidder for the £97 million fixed-price—“fixed-price”; if only!—contract to design and build the two vessels in August 2015.

The contract notice for the design, construction and delivery of the vessels was advertised in October 2014. We have been told today that both boats will be delivered next year. Even if that is true, it will have been nearly 10 years in total by the time they take passengers. We have designed and built rockets to take us to the moon and back more quickly than that.

The Auditor General says that, in September 2015, FMEL confirmed that it was unable to provide Caledonian Maritime Assets Limited—CMAL—with a full refund guarantee, which was one of the mandatory requirements of the contract.

Although CMAL subsequently negotiated a partial refund guarantee with FMEL, it remained concerned about the significant financial and procurement risks that that created. CMAL had the option to reject the bid at that point, and it told Transport Scotland that it wanted to restart the procurement process.

Transport Scotland alerted Scottish ministers to CMAL's concerns and to the risks of awarding the contract to FMEL. The Auditor General says:

“There is insufficient documentary evidence to explain why Scottish ministers accepted the risks and were content to approve the contract award in October 2015.”

CMAL thought that there were too many risks to award the contract, but the Government thought that it knew better. Why, when the Ferguson’s bid was the highest, and when the Government’s ship-buying arm said no, did ministers plough ahead? I asked the cabinet secretary that question earlier, but I got no answer.

**Kenneth Gibson (Cunninghame North) (SNP):** Did the Conservative Party oppose the awarding of that contract to Ferguson Marine at the time?

**Graham Simpson:** I say to Mr Gibson that ministers should listen to the experts. Perhaps if they had listened, we would not be in this mess, and we would not now be ordering ferries from Turkey.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** Will Graham Simpson take an intervention on that point?

**Graham Simpson:** No.

There was then the £45 million loan to FMEL; we do not know what good that did. As things went belly up, the Government decided to nationalise the yard, but it had absolutely no idea what the condition of the boats was when it did so, so it could not have predicted how costs would rise.

Despite advice from PWC, there was no exit strategy—a bit like the situation with Prestwick airport. That is scandalous. Throughout the process, the various parties have been squabbling like children, unable to get on. There have been a string of disasters, with the latest being the discovery that the cables that were fitted on the vessel that was launched with blacked-out windows by Nicola Sturgeon in 2017 are now too short.

No one has accepted blame for that, or for anything in this fiasco. Ministers and others—including the highly paid and mistitled turnaround director—have moved on, but nobody’s head has rolled. That is the problem. There is no accountability—none—not just in Ferguson’s, but in the entire ferry system and especially in Government. To get to the bottom of that, we need a public inquiry.

There is a telling sentence in the Audit Scotland report, which states:

“The two new vessels, and subsequent additions and disposals, were expected to reduce the average age of CMAL’s major vessel fleet from 21 years ... to 12 years by 2025.”

How are we doing on that? The average age of the CalMac Ferries Ltd fleet is 23 years. The situation has got worse, and nobody’s head has

rolled. We need new ferries, and we need to increase the budget for that in order to catch up. Graeme Dey reckoned that it would take £1.5 billion over 10 years; we are saying that it requires £1.4 billion. That would create a pipeline of work that could herald a boost for Scottish shipbuilding.

This is not some obscure topic. Having an ageing and unreliable ferry fleet affects people’s lives. This week, I have been speaking to island campaigners on Arran, Mull and Iona. A psychotherapist told me that he is dealing with increasing numbers of stressed-out patients. Other people have said that they have not been able to get to hospital appointments, because they cannot book a car space less than a few weeks in advance. The situation is also affecting tourism.

I have heard of bare shelves in shops, and I have seen the photographic evidence. Farmers cannot get feed and cannot get their animals to market. It goes on. Kids cannot get to school. People are thinking of giving up island life altogether—under the SNP.

**Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con):** Does Graham Simpson believe that the issue could be contributing to island depopulation?

**Graham Simpson:** I just said that. People are now thinking of giving up island life altogether. That is tragic.

I will end with a personal testimony from a lady on an island that I have not mentioned so far: Cumbrae. She told me:

“We are only an 8 minute journey from the mainland and this nearness, and our small size, results in a heavy reliability on the mainland. We do NOT have the infrastructure on the island that other islands have. Residents require to travel to the mainland for secondary schooling, work, medical, dental, optical and veterinary services, as well as supermarket food shopping and PETROL! The service in recent months has been the worst in living memory. I am aware of a lady who missed a mastectomy operation due to a sewage issue on the ferry and at least 2 other ladies that have had their Chemotherapy impacted. We need a solution now!”

I disagree with that lady. We needed a solution long before now.

I move,

That the Parliament believes that islanders, island economies and all those reliant on vital ferry links are being severely let down by the failure to deliver a resilient ferry fleet; calls on the Scottish Government to increase funding to build new ferries in the next five years and to commit to spending £1.4 billion in the next 10 years in order to bring down the average age of ferries and to upgrade ports; is deeply alarmed and disappointed with the late arrival of new operational vessels for the Clyde and Hebridean routes; understands that the construction of vessels 801 and 802, which were due to be delivered in May and July 2018 respectively, are severely delayed; notes with disappointment that the Scottish Government has yet to

confirm a revised timetable for the completion of vessels 801 and 802, following the identification of issues with the cabling; believes that the Scottish Government has made insufficient progress on acting on the recommendations set out in the report by the Rural Economy and Connectivity Committee, in Session 5, on ferry construction and procurement; calls upon the Scottish Government to publish an unredacted copy of the Project Neptune report compiled by Ernst and Young, and further calls for a full public inquiry into the Scottish Government's failure to renew the ageing ferry network based on a workable ferries plan.

**The Presiding Officer:** I call Jenny Gilruth to speak to and move amendment S6M-03712.2.

15:36

**The Minister for Transport (Jenny Gilruth):** I thank Graham Simpson for securing this important debate on Scotland's ferries, which is timely, given the Cabinet Secretary for Finance and the Economy's statement on the Audit Scotland report this afternoon.

It is necessary that, as transport minister, I listen to the Opposition and engage collaboratively on the best way forward. Mr Simpson and Mr Bibby know that I am adopting that approach to public ownership of Scotland's railways, so it will not surprise either of them that it is in that spirit that I intend to make the changes that are required to build resilience in our ferry fleet and to provide reassurance to our island communities.

I know that for our island communities, our ferries are not just boats: they are lifeline services that bring food and vital supplies. They facilitate onward journeys to family and essential hospital appointments, as we have heard. They are a bridge across our sometimes tumultuous seas and it is vital that the Government—where it has responsibility and accountability—gets this right for people who live on our islands.

I want, therefore, to start with an apology. I am sorry that, this winter, islanders have not been provided with the services that they deserve and to which they should have access. I am sorry that their needs have not always been fully met. I am sorry that when things have gone wrong, islanders have often not always been communicated with appropriately or in a timely fashion.

I am acutely aware of the need for Government—and CalMac—to improve in that regard. Although I cannot wave a magic wand and make our fleet more resilient overnight, I am intent on delivering a better service. Working with our island communities, I will explore every possible avenue to do just that.

I have heard loud and clear the concern and difficulties that have been faced in the recent prolonged period of disruption. It is important to reflect on the combination of an unprecedented

series of named storms and the considerable disruption on the network resulting from the impact of the pandemic.

On weather, when I say "unprecedented", I note CalMac's own observation that there was more weather disruption in the first seven weeks of 2022 than there was in the whole of 2012. In much the same way as it is impacting on our railway network, climate change is impacting on our seas and our ferry fleet. Indeed, weather and Covid-related incidents combined accounted for 92.75 per cent of the disruption that was experienced in January and February alone. Although it is important to note that those disruptions were caused by factors that are outwith our control, the impact of extended maintenance requirements and breakdowns, which were due in part to the age of the fleet, must also be addressed, so I will come to that shortly.

**Liam Kerr (North East Scotland) (Con):** When will the "Project Neptune" report be released?

**Jenny Gilruth:** I will come to that shortly. I have already given Mr Simpson an assurance that it will be published in due course.

Although I note the undeniable challenges that are faced by Scotland's ferry fleet, I want to express my on-going thanks to the crews and staff of CalMac, who have been working hard in extremely challenging circumstances. I am sure that members from across the chamber will join me in expressing that sentiment. As the Government amendment notes, that includes commending

"the vessel masters for the key role that they are trained to play in ensuring people's and vessels' safety with the decisions that they make about how and when ferries can sail".

Regardless of the reasons for cancellations, the impact on communities is clear, whether we are talking about lack of fresh produce in local shops or missed hospital appointments on the mainland. We must do everything that we can to avoid or mitigate service cancellations on the network.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** I appreciate the tone of much of what the minister has said about accepting the need for more responsiveness on the part of CalMac and CMAL. Does she agree that both organisations would be more responsive to communities if any of their board members had to use a CalMac ferry in their daily life?

**Jenny Gilruth:** I recognise Dr Allan's interest in the matter, given his constituency. I am broadly sympathetic to his suggestion, but I do not want to make a decision on it right now, in the chamber. I recognise the challenges to do with getting islanders' voices to inform the work of CalMac.

I want to talk about services that have been impacted. We heard about services to Arran, and I am well sighted on the difficulties on Barra, Cumbrae, Coll and Tiree. I will meet CalMac next week, following our initial meeting last month, to raise concerns directly and seek an action plan for improvement. I make an offer to members who would like me to raise constituency cases with CalMac directly: I ask them to email my private office, and I will ensure they receive an update and an assurance from CalMac that their concerns have been adequately addressed.

I have asked CalMac for regular briefings regarding service cancellations. I have also requested, through officials, an up-to-date understanding of the approach to Covid on vessels and the impact that that has had. The issue has been raised with me.

There is, furthermore, a need for joined-up cross-portfolio work on resilience. With the Cabinet Secretary for Rural Affairs and Islands, I have set up work across Government to establish what more can be done to prepare better for known resilience events, by building on the already well-established engagement between Government and local resilience partnerships.

It is important to note that the age of the fleet has been a significant contributing factor in cases of breakdown or extended periods of maintenance or dry-docking. Ministers recognise the need to address delays in investment in ferries infrastructure, which is why we committed £580 million in the infrastructure investment plan.

**Graham Simpson:** Will the minister give way?

**Jenny Gilruth:** I want to make progress, but I will give way to Mr Simpson.

**Graham Simpson:** I am grateful. Does the minister recognise concerns that £580 million is nowhere near enough and that the budget needs to be at least doubled?

**Jenny Gilruth:** I recognise what Mr Simpson argues for. I also note that the Conservatives voted against the Scottish Government budget, which increased funding for our ferry services and support to improve our ports.

**Neil Bibby (West Scotland) (Lab):** Will the minister take an intervention?

**Jenny Gilruth:** I want to make progress, if Mr Bibby would allow me to do so.

The investment will enable delivery of improved infrastructure, including three ports on the Skye triangle, to bring greater resilience and allow a wider range of vessels to be used. It also supports delivery of the new Islay vessels and associated port improvements, with both elements allowing increased capacity alongside improved efficiency

on the route. The Islay programme was developed following detailed community engagement, which led to a decision to invest in a second vessel.

We have also been able to use the investment to realise an opportunity to secure an additional vessel in the fleet—MV Utne, now MV Loch Frisa—following extensive worldwide searches of the market by CMAL.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** Will the minister take an intervention?

**Jenny Gilruth:** I want to make progress.

The purchase of the additional vessel secures an island-focused year-round timetable, as was requested by the Mull community. It also frees up other vessels that can improve services to Skye and South Uist. The actions have been welcomed by local communities.

CMAL, Transport Scotland and CalMac continue to work with communities and key stakeholders across the network to develop the required projects to a point at which they are ready for investment.

I recognise that we have been criticised for not engaging early enough with communities on such decisions. I hope that the work that I have described demonstrates that we have made significant improvements to our approach—a point that the ferries community board noted with reference to the Islay vessel experience.

**Jamie Halcro Johnston:** Will the minister take an intervention on that point?

**Jenny Gilruth:** I would like to make progress.

Since 2007, our investment in ferry services has exceeded £2 billion, to provide new vessels and improved infrastructure and to underpin our Clyde and the Hebrides and the Northern isles ferry services.

Since the ferries plan was published in 2012, we have seen the addition of new routes, including to Campbeltown and Lochboisdale, as well as significantly increased frequency of sailings on routes to Arran and Mull.

The islands connectivity plan offers the Government—and, I think, the Opposition—the next opportunity for greater delivery for our island communities. The ICP will be published later this year and will replace and enhance the current ferries plan. It will build on the ferries plan's progress and will refresh the strategy that guides the ferry services for which the Scottish Government is responsible. When it is published, it will cover a long-term investment programme for ferries and ports, which will aim to improve wider resilience. Engagement is already under way on it—

**Neil Bibby:** Will the minister take an intervention on that point?

**Jenny Gilruth:** I would like to make some progress.

Discussions took place this morning with stakeholders from both networks. I again wish to provide the Opposition with an opportunity to feed into the ICP's development, as was the case on rail, and I would welcome the chance to speak directly to party spokespeople.

**Jamie Halcro Johnston:** Will the minister give way?

**Jenny Gilruth:** I am aware of the time—I think that I have 10 seconds left.

That discussion could better ensure a collaborative approach, going forward.

I assured Mr Kerr that I would come to “Project Neptune”. As part of our drive for strategic improvement, we commissioned an independent review—which was alluded to by Mr Simpson—of the current legal and governance arrangements for the existing tripartite of Transport Scotland, CMAL, David MacBrayne and its subsidiary, CalMac Ferries Ltd, which currently operates the Clyde and Hebrides ferry services, or CHFS, network.

As Mr Simpson knows, I have committed to making a statement to Parliament to that end. I received the report from officials late last week and, along with the relevant Audit Scotland recommendations, we will now consider options for reform and improvement. “Project Neptune” potentially offers options for structural changes to how we deliver some elements of our ferry services.

Given the complexity of that and given what each option might mean for the bodies and staff involved, I will not set out the detail of that today, but I want to reassure members that I will be launching further engagement with key stakeholders on those options, following a statement to Parliament, as was previously committed to.

I recognise the vital importance of Scotland's ferry network to our island communities. It is imperative that the Government gets it right—and that it is honest when we do not. As Minister for Transport, I am absolutely committed to listening to the needs of our island communities and acting to make the improvements that are necessary.

I move amendment S6M-03712.2, to leave out from “believes that islanders” to end and insert:

“agrees that ferry services provide an essential lifeline to island and remote rural communities and their economies; recognises that, through adverse weather events and COVID-19 causing many cancellations on the Clyde and

Hebrides Ferry Services routes, this has been a challenging winter for island residents, businesses and communities; commends the vessel masters for the key role that they are trained to play in ensuring people's and vessels' safety with the decisions that they make about how and when ferries can sail; acknowledges that technical issues causing some vessels to be further laid up have added to people's frustrations and inconvenience; notes that, since 2007, over £2 billion has been invested in service contracts, new vessels and infrastructure and that, in the current five-year period, a further £580 million has been committed, enabling harbour investments, two new vessels for Islay to be built and the purchase of the MV Loch Frisa; further notes the Scottish Government commitment to publish the Islands Connectivity Plan by the end of 2022; welcomes that the Scottish Government saved Ferguson Marine, the last commercial shipyard on the Clyde, from closure, rescuing more than 300 jobs and ensuring that two new ferry vessels will be delivered, while noting the planned revised timetable and costs for completion of these two vessels; condemns the recent actions by P&O Ferries in the strongest possible terms, and makes clear the Scottish Government's support for P&O Ferries employees, and agrees that ‘fire and rehire’ practices should be outlawed and have no place in a fairer, greener Scotland.”

15:46

**Neil Bibby (West Scotland) (Lab):** At the outset, I welcome the Scottish Government's reference in its amendment to the situation at P&O Ferries. Labour MSPs, whether here in Parliament today or earlier at Cairnryan, stand shoulder to shoulder with the workers and their unions, the National Union of Rail, Maritime and Transport Workers—the RMT—and Nautilus. P&O executives have behaved utterly disgracefully and should be hunted down to the full extent that the law allows. The situation should never have been allowed to happen and, as Labour's front bench in the House of Commons has made clear, it would not be happening if there was a Labour Government. P&O executives must be held accountable for their actions.

Speaking of accountability, I welcome this afternoon's debate, led by Graham Simpson. The ferries fiasco is one of the biggest issues facing Scotland today, and it is one that the Scottish Government has been dodging for too long. The ship has sailed on the SNP's excuses. Scotland's ferries fiasco is a national humiliation. A Scottish yard supporting Scottish jobs and owned by the Scottish Government has failed even to make the shortlist to build ferries in Scotland. It is a national humiliation that has serious and profound local consequences.

Reliance on an ageing CalMac fleet means that islanders have to endure the human cost of breakdowns and delays, with young people missing school, sick people missing hospital appointments, families being kept apart and island businesses losing incomes. We have all seen the pictures of island supermarket shelves lying

empty. All those things are threats to island life, as Graham Simpson said. The situation undermines efforts to reverse depopulation, and it damages fragile island economies.

Islanders who are waiting on new vessels on the Clyde and Hebrides routes—vessels that are already four years behind schedule and two and a half times over budget—deserve a profound and meaningful apology from the Government for its failures over the past 15 years. I welcome the fact that the Minister for Transport had the grace to apologise for the disruption this winter.

There must be concerted action from the very top in order to put the matter right. There was a time when senior SNP politicians could not get themselves down to Port Glasgow quickly enough to have their photo taken; now, they cannot run away quickly enough from their responsibility for the shambles. Earlier, Willie Rennie and I both asked the Cabinet Secretary for Finance and the Economy whether she would stake her position on timely completion of the new vessels. She refused to do so on both occasions. Perhaps the Minister for Transport will take responsibility instead. If not, it is clear that nobody in the Government will take responsibility.

In fact, there has been a ministerial merry-go-round throughout the fiasco. Alex Salmond was down there in 2014. Derek Mackay had his photo taken outside the yard in 2017. Nicola Sturgeon launched a ferry with painted-on windows that was still unfinished. Fiona Hyslop fell out with the union. Michael Matheson, Humza Yousaf and Graeme Dey have all come and gone—unlike the boats—and last week Ivan McKee was answering questions on the issue. Today, Kate Forbes gave the statement and Jenny Gilruth has spoken in this debate. The previous owner is away and the turnaround director is away.

The one constant throughout has been the First Minister, and the First Minister is ultimately accountable for the Scottish Government. That is why Scottish Labour is calling for the First Minister to assume direct ministerial responsibility for the Government's investment in Ferguson's: no one else is taking responsibility. Nicola Sturgeon needs to lead from the front, turn Ferguson's around and bring her Government's ferries fiasco to an end. That means the Glen Sannox being fully operational with no more delays, followed by vessel 802. The completion of those vessels is essential to rebuilding confidence in Ferguson's and helping the yard to bid for new work.

On the question of confidence in Ferguson's, let me say this: today's Audit Scotland report will make for difficult reading for many people. Ultimate responsibility lies with the Government, but there is plenty of blame to go around.

There is no question, however, about the dedication and professionalism of the Ferguson's workforce. It got on with the job as best it could in extremely difficult circumstances. It deserves better and needs to know that the Government is committed to completing the vessels. It needs assurances that the new management set-up will make the yard more competitive and bring new opportunities to the lower Clyde.

Our appeal to the Government is that it complete the ferries and ensure that the yard can bid for new work. That must include the opportunity to be part of a much-needed ferry building and replacement programme. We need to build more ferries, but since 2007 this Government has built only six new ferries in 15 years, compared with the 10 new ferries that were built by the previous Labour and Liberal Democrat Administration. We need a programme to rejuvenate our ageing fleet and ensure that new ferries are built in Scotland. I ask the minister and cabinet secretary to consider the case for simpler and smaller models being built on the Clyde in order to help to fill order books.

The test for the future viability of Ferguson's should not be at the mercy of a vessel that is as complex to build as the Glen Sannox. I encourage the Government to engage with the GMB union on the potential for new roll-on, roll-off ferries to be built on the Clyde and deployed in the CalMac fleet. I say again that if concerns about the workforce had been addressed at an earlier point in this fiasco, perhaps the delays and overspends that have dogged the project could have been avoided. That underlines the need for the workforce and islanders to be adequately represented in the governance of the ferries network. There should be an urgent review into the suitability of the CMAL-CalMac model. It was designed in another time for another time.

I want to acknowledge that although today's Audit Scotland report usefully sets out the scale and nature of the failings at Ferguson's, it does not answer all our questions. It does not look into tender documents or in any depth at the reported changes in procurement and design once construction had been approved. It has not been able to interrogate in much greater depth the breakdown in the relationship between CMAL and Ferguson's. It has not been able to establish whether it was reasonable to pay a turnaround director £2,783 per day, and it could have interrogated what ministers knew and when, and why on earth they did not put in place normal financial safeguards.

There is another way to get those answers and to ensure that lessons are learned from the fiasco—a full public inquiry. There was a public inquiry for the Edinburgh trams because the costs

doubled. Costs in this case have more than doubled. There would be no hiding from scrutiny in a full public inquiry. Key witnesses such as Derek Mackay and the First Minister herself did not appear before the Rural Economy and Connectivity Committee inquiry, so Scottish Labour supports calls for an inquiry.

Labour supported the decision to save the Ferguson's yard from closure. We applaud the extraordinary effort that has gone into keeping Ferguson's open and keeping the workers in jobs, but in failing to oversee the project adequately, the Government is failing those workers. There must be a better future for the workforce at Ferguson's, for the lower Clyde and for our island communities. To unlock that future, we call on the First Minister to step in and turn the yard around.

I move amendment S6M-03712.1, to insert at end,

“; considers that a Scottish Government apology should be issued to island communities and the Ferguson Marine workforce, who have been affected by failures in the procurement and delivery of vessels 801 and 802; calls on the First Minister to lead government efforts to secure the completion of vessels 801 and 802 by taking ministerial responsibility for government investments in Ferguson Marine; believes that a national ferry building and procurement programme, developed in consultation with trade unions, should create new opportunities for Ferguson Marine to secure ferry contracts, and calls on the Scottish Government to protect jobs and promote sustainable growth and fair work in Scotland's marine economy.”

15:53

**Willie Rennie (North East Fife) (LD):** The ferries fiasco is a national embarrassment of the SNP's making. The ferries are four years late and after today will be five years late, at two and a half times the original budget. Windows were painted on just for the First Minister, cables were too short and a bulbous bow was too small. There has been endless squabbling, and now there is a damning Audit Scotland report.

The embarrassment is never ending, but it is not just an embarrassment. The situation has a real-world effect on islanders, taxpayers and the workers at the shipyard. The effect on islanders is significant; breakdowns and cancellations are commonplace. That is not a surprise, though, given the ageing ferry fleet, much of which was built on the lower Clyde in the days of Margaret Thatcher. Who would have thought that Margaret Thatcher would have a better shipbuilding record than the SNP? Yet she did.

The delays today could have been avoided if the SNP had had a proper ferry-building plan to replace the ageing fleet, but it did not. The delays almost every day could have been avoided if the SNP had built the ferries when it promised to—five years ago—but it did not. The repeated delays

could have been avoided if the SNP had managed to get the ferries built in 2018, 2019, 2020 or even 2021. All of those were dates for completion promised by the SNP, but it failed over and over again.

Even now, the date has been delayed until next year. “Not more delays, cancellations and breakdowns through another cold Scottish winter,” I hear the islanders cry. One said:

“The fiasco with procurement and the ageing fleet is going to get worse rather than better in the next number of years. It's horrendous.”

The people who are waiting for the new ferry for Arran will just need to wait longer. Those who are waiting for the new ferry to Skye will need to wait even longer. “The Skye Boat Song” would never have been quite the same without the boat.

The delays are long and tortuous, and the costs have shot through the roof. Patients, children and the homeless will just have to watch as the Scottish Government spends ever greater sums of money on two ferries that are still not complete. The costs have rocketed from £97 million to £240 million, and possibly to an estimated £400 million—four times the original price.

Let us put that in context. It would pay for seven high schools for children who are desperately waiting to move from their damp-ridden buildings. It would buy 2,000 council houses for those who are desperate for a home. It buys just one new children's hospital in Edinburgh—but that is another story. The SNP seems to think that it is okay for all those people to wait and watch it bungle contracts for building ships on the Clyde. The issue has got so embarrassing for the SNP that it even refused to be interviewed by the BBC about the matter.

However, that is nothing compared with the embarrassment that it feels now that the SNP-owned ferry company is not even bidding to build its own ferries. Those ferries will be built by Turkish yards and benefiting Turkish workers, Turkish taxpayers and Turkish communities. I have heard some say that the new slogan should be “SNP: Stronger for Turkey”.

Because the situation has got so desperate and embarrassing, the SNP is reaching for Boris Johnson's playbook on building bridges: it now wants to build one to Mull. If the minister is listening, I say to her that she should get on with building the fixed links in Shetland, which wants them, instead of Mull, which does not.

All of this is a prime example of a failed SNP industrial intervention strategy. It intervened with Burntisland Fabrications before the company collapsed. It is exposed to the tune of hundreds of millions of pounds at the Lochaber smelter and the 2,000 jobs are nowhere to be seen. It has spent

millions on Prestwick airport, but still cannot sell it. It is potentially exposed to millions of pounds for the environmental clean-up at the Lanarkshire steel mills. It also seems incapable of handling relationships with business. It was duped by the £10 billion Chinese deal that never was. It tried to renege on a deal with Tata Steel over clean-up costs. Now it is not even able to train enough workers to build just eight wind turbine jackets in Fife.

The SNP's record on ferry building is just one example of a series of industrial-sized failures. It is the workers, the taxpayers and the islanders who will lose out. We need a new plan for ferry construction, new investment to replace the ageing fleet, a turnaround plan that works for Ferguson's, a Government that delivers on its promises and a public inquiry into this utter shambles, but I suspect that, like everybody else, we will be kept waiting ever longer before we get any of those things.

**The Deputy Presiding Officer (Liam McArthur):** We move to the open debate.

15:59

**Edward Mountain (Highlands and Islands) (Con):** Yet again, we are discussing the inability of this incompetent Scottish Government to keep our islands connected. Four years ago, we needed to build one ferry every year to keep our fleet fit for purpose. Now, according to CalMac, because of the Government's failings, we need to build two and a half ferries every year for the next 10 years to get back on track. That is a sad indictment.

Seven years ago, a contract was awarded to build two ferries; today, it appears that neither of them is close to completion. It took seven years to build an aircraft carrier and yet this Government has nothing to show for the hundreds of millions of pounds that we have spent—what a farce.

What went wrong? Things started to go wrong even before the contract was awarded. If we cast our minds back to 2014, the year of the divisive but definitive referendum, in August of that year, the Ferguson's yard went into receivership, which was not good news for Scotland or the case for independence. Resolving the issue became a priority for the Government and for Alex Salmond. How fortuitous it was that, within a month—and before the referendum—a key SNP financial supporter and its economic adviser stepped up and purchased the yard. That was a coincidence, surely, and was not, as some have suggested, on the back of a promise that the yard would be awarded Government ferry contracts—perish that thought.

However, barely a year later, Ferguson Marine Engineering Ltd—the new name of the yard—had

indeed been awarded the contract. Let me list some of the attributes of the yard that were identified at the time of its tender. It had a highly skilled workforce, no doubt, but they had no management experience of shipbuilding, and none of the managers had been near a boat. It was the most expensive tender and had the most unrealistic delivery time. The company could not provide any evidence of financial security, and did not even have the support of the purchaser, CMAL. Bearing that in mind, why would it not be given the contract?

Next, we need to look at how the Scottish Government managed the contract. As Willie Rennie said, numerous SNP ministers played pass the parcel with this hot potato and they all had their fingers burned. There was Nicola Sturgeon, who had a hotline to Monaco and the owner and launched hull 801 in 2017 with wooden windows and funnels connected to engines that were not actually there. There was Humza Yousaf, the transport minister who could not even explain why there was a delay to the ferries when we passed the construction date. There was Derek Mackay, who signed off the payment of £127 million for a £97 million contract to Ferguson Marine, only to end up with two rusting hulls.

There was Michael Matheson, as cabinet secretary for transport, who assured everyone almost up until he left the appointment that everything was going right and that nothing was wrong. There was Kate Forbes—I am glad that she is back in the chamber—who oversaw the yard palming off control to a turnaround director, who achieved no turnaround of the yard's fortunes. There was Fiona Hyslop, who claimed that the shipyard had a bright future ahead of it but had no knowledge of the depth of the problem, and there was Graeme Dey, who knew of the problems and who was content for a shipyard in Turkey to build the next hull.

Now it falls to Jenny Gilruth, who, after five weeks of being asked when the ferries would be delivered, was unable to confirm the date, leaving it to Kate Forbes to do so today. That is a pretty disappointing roll of honour; frankly, it is a roll of shame and each and every one of them should hang their heads in shame and embarrassment.

Who was that turnaround director who was appointed by the finance secretary? He was appointed after a single telephone interview and he of course came with the relevant shipbuilding experience, having been a cruise ship engineer 30 years ago. The previous company that he turned around went into liquidation shortly after he left it.

Business experience tells me that, for the first six months of a turnaround director's appointment, they are part of the problem; after that, they become the problem. For nearly two years, the

yard struggled on, rearranging the stores and rearranging the yard layout. Some people have said to me that it was about as useful as reorganising the chairs on the Titanic after it had hit the iceberg.

Finally, I want to mention costs. Apparently, this was a fixed-price contract, with 15 staged payments for each ferry. Someone therefore needs to explain to me and to the islanders how the Government allowed the payment of 82 per cent of the contract value before the ferries were even completed. That was how much the Government had paid when the yard went into receivership, but it does not stop there. Without CMAL's knowledge, the Government lent FMEL £45 million—the Government did not tell CMAL that it had lent that money, when CMAL was still signing off payments before they went to the Government.

Today and at every opportunity, the Government has swept under the carpet the costs of the additional harbour infrastructure that is necessary to allow the new ferries to run. We have not even considered how much has been spent in each harbour to allow the ferries to come in, or the cost of the liquefied natural gas tanks. That is interesting, because we commissioned the ferries even though we do not have any LNG, so it will have to be delivered to the ferries in lorries that travel from Kent to allow them to run. I am sure that those are really good green policies.

When it comes down to it, we have heard today—unless I have got it wrong—that there is about another £140 million to be spent on the ferries, and we have already spent £140 million. My belief is that we will probably have spent £100 million on infrastructure by the time that we have completed it all. I think that we will have little change from £0.5 billion. If we open the books, we will find out the true costs at all stages.

I know that the Auditor General has been quoted, but I will quote him again. He said:

“The failure to deliver these two ferries, on time and on budget, exposes a multitude of failings. A lack of transparent decision-making, a lack of project oversight and no clear understanding of what significant sums of public money have achieved. And, crucially, communities still don't have the lifeline ferries they were promised years ago.”

The situation is a complete mess and a complete demonstration of catastrophic mismanagement, as the REC Committee pointed out in 2021. What we really need is a public inquiry.

16:07

**Jackie Dunbar (Aberdeen Donside) (SNP):** I welcome the opportunity to speak in this debate on Scotland's ferries. Although I was not an MSP

at the time, I am acutely aware of the extensive inquiry that the Rural Economy and Connectivity Committee undertook on ferries in session 5. I am sure that we are all in agreement that it is incredibly crucial to our island communities and island economies that we have good transport links between our remote communities and the mainland. Those transport links act as an essential lifeline for residents, including for the supply of food and services.

Over the past few years, Scotland's ferries have been operating in very tough conditions. Ferries have faced the challenges of the Covid-19 restrictions, combined with increasingly adverse weather events. Vessels also need to be taken out of circulation for essential day-to-day maintenance, which folk in the chamber seem to forget about at times. Those challenges have caused cancellations and disruptions on the ferry network.

In response to those challenges, the SNP Scottish Government has invested more than £1.9 billion in our ferry services, vessels and infrastructure since taking office in 2007. Those investments have included money for new routes, new vessels and upgraded harbour infrastructure, as well as the roll-out of significantly reduced fares through the road equivalent tariff scheme.

**Neil Bibby:** The member mentioned the level of investment that the Government has made in ferries since 2007, but the Government has built only six ferries in 15 years. That is not nearly good enough, particularly when that is compared with the record of the last Labour-Liberal Democrat Administration, which built 10 ferries in eight years. Clearly, the rhetoric is not matching the reality of what people in Scotland need.

**The Deputy Presiding Officer:** I will give Ms Dunbar the time back.

**Jackie Dunbar:** I hear what Mr Bibby is saying, but we have put the budget in place, and sometimes what is in place is more important than what is delivered—that does not really make much sense, Presiding Officer. What I was meaning was that, sometimes, it is good to have the budget in place and the responsibility within the Scottish Government.

As Mr Bibby said, since 2007, eight new vessels have been introduced to the CalMac fleet, including a further two that are under construction. That highlights the SNP Scottish Government's commitment to crucial infrastructure for our island communities.

Our Scottish Government has delivered significant ferry fare reductions on the Clyde and Hebrides routes, which has led to a welcome boost in carryings, which supports our island and remote communities and their local economies.

That was emphasised by the Scottish Government budget, which continues to provide support for subsidised ferry services across the islands, with £19.2 million for local authority ferries—an increase of £7.7 million on the previous year. That demonstrates the commitment that the Scottish Government has made to our islands.

**Katy Clark (West Scotland) (Lab):** Is the member aware that, in the 14 years up to 2007, 26 ferries were brought into service? Does she accept that the 14 years since 2007 compare poorly with that, and that the long-term failure to invest since 2007 is the real reason why we are having this debate today?

**Jackie Dunbar:** I am aware of the 46 per cent capital cut that Labour and the Liberal Democrats made in the time that they were in Government.

Given the investments and actions that I have laid out, it is simply puzzling that we continually hear from across the chamber calls for more funding for everything, including transport infrastructure, healthcare, justice and education. The list never ends, but I am still waiting to see what any of the Opposition parties' budgets would have been. I have seen neither sight nor sound of where they would cut funding in order to fund their endless calls for money. It is very easy to make those demands when they do not have to balance the books every year. If the Opposition parties joined our calls for full fiscal autonomy for this Parliament, they would at least have a basis for their uncoded financial demands. Coming from a local authority setting, where most Opposition parties provide an alternative budget, I was amazed that none came forward in this chamber.

The Scottish Government is committed to undertaking the first comprehensive review of the ferry network. The islands connectivity plan will replace the current ferries plan and look at aviation, ferries and fixed links, to ensure that all potential options for connecting our island communities are considered. As part of that plan, it is key that the Scottish Government consults the users of the ferries and learns from the experiences of other countries and other modes of transport, and I ask the minister for an assurance on that.

I welcome the fact that the Scottish Government will produce and maintain a long-term plan and investment programme for new ferries and development of ports, in order to improve resilience, reliability, capacity and accessibility, increase standardisation and reduce emissions to meet the needs of island communities.

In 2005, when the Ferguson's yard faced closure because of the inaction of the previous Labour Government, the SNP joined Labour rebels to demand that the yard be saved. In 2014,

when the yard faced closure once more, the SNP Scottish Government stepped up and helped to save it, rescuing more than 300 jobs. Today, there are almost 500 permanent and temporary staff at Ferguson's. Let us contrast that against the recent developments with P&O Ferries, a multimillion-pound corporation that benefited from taxpayer Covid-19 funding and has just made 800 staff redundant with absolutely no notice.

**Stephen Kerr (Central Scotland) (Con):** Will the member take an intervention?

**Jackie Dunbar:** Normally, I would take an intervention, Mr Kerr, but I have absolutely no time.

**The Deputy Presiding Officer:** Yes, you need to wind up now.

**Jackie Dunbar:** The services that are provided by P&O, including the vital links between Scotland, Northern Ireland and Europe through the port of Cairnryan, are essential for Scotland's economy. The Tory UK Government has consistently blocked changes to employment legislation that would have prevented the abhorrent treatment of workers at P&O Ferries, and it still shows no signs of doing anything to close down the possibilities of future companies doing the same.

**The Deputy Presiding Officer:** Ms Dunbar, you need to conclude.

**Jackie Dunbar:** Will Labour join me today in supporting the Scottish Government, which shows clear support for P&O Ferries employees and calls for those fire-and-rehire practices to be outlawed?

16:14

**Jamie Greene (West Scotland) (Con):** I am really pleased to take part in today's debate, and I thank Finlay in my office for stepping up this week in the most difficult of circumstances.

I have been raising the issue of ferries pretty much since I stood for election, in my capacity as a regional MSP, when I held the transport brief and when I was a member of the then Rural Economy and Connectivity Committee. The debate is really for our islanders. It is a chance to give them a much-needed voice in all this, because barely a week goes by without a ferry-related fiasco on our beleaguered ferry network.

MSPs who represent any island community will know at first hand about the constant delays and cancellations that have become a regular and routine part of islanders' day-to-day lives. Those issues are not all weather related, either. I see those who sit behind the Government benches, sheepishly asking their scripted questions about ferries and pointing the finger at everyone but their own ministers. All the while, they pretend to be

angry in the local papers, but they are afraid to come into the chamber and hold their own ministers to account for a change.

**Kate Forbes:** Does the member recognise that the ministers to whom he refers also represent island communities that are dependent on those vessels?

**Jamie Greene:** I absolutely recognise that they represent those communities, and they should be ashamed of the way in which their Government is treating them.

In the past few weeks alone, there have been perfect examples of what the issues mean on the ground for islanders. The 16-year-old MV Loch Shira has been out of action due to numerous sewage system problems. Multiple routes are out of operation because the temporary replacement vessels are unable to handle the strong winds that the scheduled vessel could have handled. It is the constant moving of the pieces of the jigsaw—moving vessels from one route to another and pitting island against island—that is annoying islanders the most.

The biggest kick in the teeth is handing ferry contracts to Turkey. That is the inevitable and sad outcome of the nationalisation of a Clyde shipbuilder. I say to Willie Rennie that “stronger for Turkey” is not just a silly meme; it is, unfortunately, a sad and inevitable truth as a result of this Government.

**Stuart McMillan:** Will the member take an intervention?

**Jamie Greene:** I know what Mr McMillan is going to ask me, and I will come on to the nationalisation issue in one second, so listen up.

The story of this Government’s mismanagement goes back—[*Interruption.*] Please listen, because I am very happy to address the utterly catastrophic nationalisation project that you have embarked on in one second.

**The Deputy Presiding Officer:** Mr Greene, please speak through the chair.

**Jamie Greene:** I am happy to do so, Presiding Officer.

The 2007 SNP manifesto promised

“a fairer deal for ... Islands”.

That was an admirable promise to make to the electorate. In 2011, the SNP repeated that promise by saying that it had

“placed the needs and aspirations of ... our island communities at the very centre of the Government’s ... agenda.”

Is that so? Where on earth is this new ferry for Arran, in that case? Which bit of that single failure alone is putting our islands at the heart of the

Government’s agenda? Back in 2015, the First Minister herself said that the Scottish Government was

“committed to supporting ferry users around Scotland by providing safe and reliable services.”

She went on to say that the Government would ensure that

“we have a fleet that continues to deliver for the communities that depend on it.”

First Minister, we are still waiting for that fleet.

Two years later, the First Minister made another visit to Ferguson’s. That famously went down in history as the much-heralded launch of the Glen Sannox, a ship with no pipework, no electrics, no engine and those infamous painted-on windows, which have come to symbolise the Government’s approach to our island communities. It is all shiny and appealing on the outside, but it is not fit for purpose when we peer through the painted-on portholes.

All we have heard are countless manifesto promises and countless programmes for government, but not a single head has rolled, no one has been fined, no one has been investigated and no one has really been held to account.

Of course, I welcome today’s apology from the Minister for Transport, but all the while, our islands are suffering on a day-to-day basis. I have raised ferry-related problems no fewer than 85 times in the chamber, including in my maiden speech. One of the first anecdotes that I shared in the chamber was about a gentleman from Arran with a physical disability who could not schedule a hospital appointment on the mainland. That was six years ago. Since then, dozens and dozens of cases have been taken on by my office, by the offices of my colleagues and probably by every member in the chamber. Problems have related to accessing healthcare, education, tourism, businesses and agriculture.

I could spend a whole afternoon sharing stories and anecdotes of people being let down by a litany of ferry delays and cancellations due to technical issues. Graham Simpson spoke about a constituent of mine who missed a breast cancer operation not that long ago. That is not just a shame; it is negligence. That was not the fault of Covid, Jim McColl, Tim Hair or even Robbie Drummond; it was the fault of the whole broken system.

That system involves ferry tenders that are so narrowly specced that they prohibit sensible competition on profitable routes; a ferry operating company that does not own the ferries that it operates and is not given the ferries that it asks for; vessels that do not match the ports that they are supposed to serve; putting cruise-liner

services on short-range commuter routes; failing to listen to the needs of communities; complex ownership and operating structures; a lack of oversight; and zero accountability when it comes to millions of pounds of public money. We can sprinkle on top of that a gross and long-standing failure to come up with any shipbuilding or procurement plan that is fit for purpose and delivers value for money.

If we scratch below the surface, we find that everyone knows that CalMac is at creaking point. It knows it, CMAL knows it, Transport Scotland knows it and even the Government knows it.

Let me turn to the point about nationalisation. We hear it so many times that the Government saved the yard. If it saved the yard, let me ask some very specific questions. Did Jim McColl ask or offer to siphon off the CMAL contract into a separate company of which the Government could easily have taken ownership, which would have allowed the yard to prosper, free from the shackles of the plagued LNG project? Was he lying? Was his offer rejected? If so, why? Who else put in a bid for the yard? How many bids were received, and why were they rejected?

Did the Government threaten potential new owners of the yard with the burden of calling in its debt? Who on earth did the risk analysis on the effect that public ownership would have on the yard, on state aid and on the ability to tender for new contracts? Where are those new contracts? Which bit of saving the yard has resulted in Scotland building ships in Turkey?

At least Scotland's other Government gets on with actually building ships in Scotland. The Scottish Government should be ashamed. I support the motion in Graham Simpson's name.

16:22

**Katy Clark (West Scotland) (Lab):** I welcome the debate and the tone of the minister's opening remarks, as she seemed to accept that islanders have been let down.

Islanders on Arran and Cumbrae contact me almost daily about ferry cancellations. They fully appreciate the problems that are caused by weather and by Covid, which is still with us, but they get in touch about issues connected to mechanical and technical failures, which impact on their lives and the lives of everyone in their community. This debate is about the failure to deliver a resilient ferry fleet.

In the time available, I will focus on the long-term failure to invest in new fleet on CalMac routes, the lack of an industrial strategy or procurement framework to ensure that we have the capacity to build new fleet in Scotland, and the

wider issues relating to employment rights in the maritime sector, which Jackie Dunbar referred to and which have been highlighted again through the treatment of P&O workers.

Most industry experts agree that the average life expectancy of a ferry is 25 years. Half of the 31 state-owned ferries in Scotland are older than that. The MV Caledonian Isles, on the Ardrrossan to Brodick route, was brought into service in 1993; the MV Loch Riddon, on the Largs to Cumbrae route, was brought into service in 1986; and the MV Isle of Arran, which is used on the Ardrrossan to Campbeltown and the Ardrrossan to Arran routes, was brought into service in 1983. Over the past five years, more than 1,000 ferry sailings have been delayed due to mechanical issues associated with the age of the fleet.

The consistent failure to provide investment since 2007 is one reason why we are in the position that we are in. Earlier, we heard the statement about Ferguson Marine. It is important that we put on record that it is not the workforce's fault that we are in this position; we are in this position because of mistakes and mismanagement by politicians and management. We need to rebuild the reputation of the yard and ensure that a pipeline of future ferry contracts can be achieved, and we need to learn from the mistakes that have been made up until now.

The Scottish Government has wasted more than half a million pounds in taxpayers' money for private firm Ernst & Young to provide advice since 2015. We have already heard that senior management have been paid eye-watering sums. We need an emergency ferries plan with a procurement strategy to ensure that our ferries are built in Scotland and that groups such as the Arran Ferry Action Group and islanders in the affected communities are involved in decision making. Frankly, if they had been more involved in the decision making that led to our having this debate, we would not be hearing these kinds of contributions from members on all sides of the chamber.

The trade unions also need to be involved in those discussions—I asked the cabinet secretary yesterday if they could be involved in discussions about P&O ferries. It is vital that the workforce in CalMac, CMAL and Ferguson Marine be involved in those discussions, too.

The Scottish Government needs to accept that mistakes have been made; it needs to stop digging and to accept that, since 2007, investment has not been made at the level that has been required, and therefore that further investment is needed to catch up. We need to start including communities in decision making, which includes having the Scottish Government agree to a public

inquiry to ensure that lessons are learnt for the future.

The backdrop is the marine sector, which employment law does not fully cover. Due to the exemption of seafarers from all employment law regulations, workforces that are brought in are paid less than the national minimum wage. That is part of the reason why it is important that ferries are kept in the public sector and that Ferguson Marine, CalMac and other parts of the sector that are owned by the public are successful.

I assure the Scottish Government that it has the support of Scottish Labour in keeping these services in public ownership. However, we genuinely believe that the Government needs to listen to what communities, the workforce and all involved are saying, to learn lessons and to agree to a public inquiry, so that we do not repeat the mistakes that were made in the past.

16:27

**Paul McLennan (East Lothian) (SNP):** I am grateful for the opportunity to speak in the debate. We can all agree that ferry services provide an essential lifeline to island and remote rural communities and their economies, as we have heard. I am aware of how important those services are to the communities that they serve and of what they mean to the economy and general wellbeing of such communities.

The changing climate and the many storms that we have had this year, alongside Covid-19, have caused many cancellations in ferry services, and I appreciate the apologies from the Minister for Transport.

Before we go further in our discussions, I want to touch on the Audit Scotland report. Like any report, it looks back but also makes recommendations on ways ahead. I want to touch on a point that both the Cabinet Secretary for Finance and the Economy and the Minister for Transport have made. The report says that Audit Scotland's

"recommendations are intended to support the completion of vessels 801 and 802"

—that has been picked up;

"improve future procurement, contract management and delivery of new vessels"

—that has been picked up;

"help inform thinking about the future of FMFG"

—that has been picked up; and

"increase the transparency of the Scottish Government's decisions and expected outcomes in relation to supporting private business."

Today's debate is about looking back but also about learning lessons.

**Stephen Kerr:** Will the member take an intervention on that point?

**Paul McLennan:** Yes, if I can get the time back, Presiding Officer.

**The Deputy Presiding Officer:** Yes.

**Stephen Kerr:** Paul McLennan lists the report's recommendations. Does he also acknowledge that Audit Scotland's report states that significant and unsolved problems relating to the projects remain? Does he accept that?

**Paul McLennan:** Yes. As I said, the report is both looking back and looking forward. The cabinet secretary and the minister have already picked up those points.

We have to acknowledge that technical issues have caused further problems, adding to people's frustrations and inconvenience.

It is also worth acknowledging, as a balance, that more than £2 billion has been invested in service contracts, new vessels, and infrastructure since 2007 and that, in the current five-year period, a further £580 million has been committed. Jackie Dunbar made the good point that we had no alternative funding proposals from Opposition parties—none.

The £580 million will enable harbour investments, two new vessels for Islay to be built and the purchase of the MV Loch Frisa, as we heard earlier.

**Liam Kerr:** Will the member take an intervention?

**Paul McLennan:** I am trying to balance the time.

**The Deputy Presiding Officer:** I can give you a little bit of time back.

**Paul McLennan:** Okay.

**Liam Kerr:** Does the member think that it serves the Oban to Mull route well to replace the current vessel with a second-hand vessel that is slower and has one third of the capacity?

**Paul McLennan:** That is a decision for the people who have the expertise in that sector. I do not pretend to have that expertise, but I am more than happy to take the question up.

The Scottish Government's commitment to publish the islands connectivity plan by the end of 2022 is also welcome and I have no doubt that it will be discussed in the chamber and in committee, as it needs to be. As we know, the islands connectivity plan will replace the current ferries plan, and it will look at aviation, ferries,

fixed links, and investment in more sustainable ferries, and it will ensure that 30 per cent of state-owned ferries are low emission by 2032.

The islands connectivity plan will be implemented through the national transport strategy and the strategic transport projects review. That will enable us to consider other potential viable options for connecting the islands.

The islands connectivity plan will replace the ferries plan by the end of 2022, and engagement and consultation on it will enable substantial public and community input. We heard that important point from Katy Clark; there needs to be input from the communities, which must be extensive and allow for two-way conversations. Perhaps the minister or cabinet secretary can comment on that in summing up this afternoon. It is incredibly important.

We need to invest in more sustainable ferries and reduce their carbon footprint. We are committed to 30 per cent of state-owned ferries being low emission by 2032.

The Scottish Government plans to explore the potential to build more fixed links to island and remote communities, such as a bridge from Gourock to Dunoon, and work with island communities to reduce their reliance on ferries. Again, that needs to be part of the consultation process

Investment in our ferry fleet can come with benefits for our industry. The Scottish Government's intervention in 2019 saved the Ferguson's yard and its workforce from an uncertain future, and we cannot underestimate that. Progress has been made at the yard, but we need to ensure that Ferguson Marine is back to being a serious contender for future vessel contracts.

**Paul Sweeney (Glasgow) (Lab):** Will the member take an intervention?

**The Deputy Presiding Officer:** I will not be able to give you any more time back, Mr McLennan.

**Paul McLennan:** I am sorry, Mr Sweeney. I have taken a few interventions already.

However, we must ensure delivery as best we can when it comes to lifeline services for our island communities. Ferguson Marine continues to evolve, and the appointment of the new chief executive officer earlier this year has been touched on. The Scottish Government remains fully committed to supporting the Ferguson's yard to secure a sustainable future, including a pipeline of future work.

Of course, it was disappointing that Ferguson Marine did not progress to the invitation-to-tender

stage of the Islay vessel last year. The Scottish Government continues to work closely with the yard to ensure that it becomes globally competitive, and we should remember that Ferguson's yard is still operating and employing hundreds of skilled workers.

The decision taken to safeguard the future of Ferguson Marine was the right one. Not only did our efforts save the last commercial shipyard on the Clyde from closure; they directly saved more than 300 jobs.

**Graham Simpson:** Will the member take an intervention?

**Paul McLennan:** I do not have time, as the Presiding Officer has said.

The Scottish Government has set out two priorities for the yard's management: to finish building the two ferries that are under construction; and to get the yard back into shape to compete for new work. Scottish Government ministers will do all that they can to ensure a strong future for Ferguson's.

A review of whether the legal structures and governance arrangements that exist between the tripartite group of Transport Scotland, CMAL and CalMac remain fit to deliver an effective, efficient, and economic ferry service has just started and will deliver a final report later in the year.

The Scottish Government is also developing a revised ferries stakeholder engagement strategy. I hope that the cabinet secretary or minister can talk about that in summing up. The strategy will set out an approach to engagement on the three key areas of operational issues, strategy and policy.

The infrastructure investment plan for Scotland for 2021-22 to 2025-26 will produce and maintain a long-term investment programme for new ferries and development at ports to improve resilience, reliability, capacity, and accessibility, and reduce emissions to meet the needs of island communities.

It has been a tough few years for some of our island communities because of adverse weather, Covid, and of course technical issues and delayed orders. Lessons need to be learned. Our island communities need to be reassured and fully consulted, and we need a thriving shipbuilding industry in Scotland.

16:33

**Ariane Burgess (Highlands and Islands) (Green):** As we have heard from members across the chamber, ferries are vital arteries for our island communities. A cancelled ferry is a first baby scan missed, or a shop or pharmacy unstocked. The

accumulation of such disruptions reach a tipping point at which island life is sadly no longer viable.

There is no doubt that this has been a challenging winter for island residents, businesses and communities. As a Highlands and Islands MSP, I feel viscerally the impact that ferry disruption has on my constituents. It is vital to put them at the centre of the debate.

Earlier this month, three families with young children left South Uist in just one week, after the latest in a long string of incidents that had led to cancellations of the Lochboisdale ferry. Only 24 per cent of respondents to the national islands plan survey feel that young people are sufficiently supported and encouraged to remain on or move or return to islands. We can change that by improving transport links and connectivity.

Lifeline ferry services are essential to community life, so it is only responsible that their governance should include members of the communities that they serve. A positive step would be for the Scottish Government to implement mandatory islander representatives on the boards that provide oversight of Scotland's ferries.

It should not be lost in this debate that the ferries are not separate from our communities; they are our communities. Water-based passenger transport provides around 1,100 jobs, mainly in island and coastal areas. I join the Scottish Government in recognising the work that vessel masters do in ensuring the safety of crews and passengers.

The Scottish Green Party strongly supports ferry workers' rights and joins the Scottish Government in condemning the despicable employment practices that were recently deployed by P&O Ferries. It is imperative that the UK Government take swift action to close the legal loopholes that made that possible.

Covid-19 could not have been predicted, but the resulting absences and disruption should now be factored into business planning. That may require extra resources, and we would support the Scottish Government to take action to increase resilience in staffing.

Similarly, the climate emergency has meant that extreme weather events are becoming the new normal. The recent spate of severe storms has shown just how disruptive that can be to transport, as well as to internet and electricity connections. We need to take action now to make plans to adapt to those changes so that islanders are not left on the sharp end of them.

How can we move forward? I echo the calls from my constituents and local councillors for the current fleet to be expanded, which would build in redundancy over the winter and add capacity in

the summer. I welcome the minister's comment that such work is under way.

**Graham Simpson:** Does Ariane Burgess agree, therefore, that we need to increase the budget for ferry replacement, so that we can get more ferries?

**Ariane Burgess:** Rapid change needs to be made, but we must get it right, which means taking the time to properly define the requirements and identify the benefits, as well as increasing investment.

Although I welcome the investment that has been made in service contracts, new vessels and infrastructure, and the further £580 million that has been committed over the next five years, I urge that new vessels be zero or low carbon. Electric ferries are already running on renewable energy in Sweden and Denmark, and Europe's first green hydrogen ferry is currently being designed here in Scotland. We may also need to increase the use of diesel-electric hybrid ferries until we can phase out diesel completely.

**Jamie Halcro Johnston:** Given that the number of low-emission ferries has gone backwards in the past few years, because of the purchase of the northern islands boats and the fact that there are so many issues with regard to the replacement ferries, does Ariane Burgess support our call for a public inquiry into the Government's mismanagement of our ferry network?

**Ariane Burgess:** I find it disappointing that the member wants to turn the debate into a point-scoring blame game. Our communities need us to work constructively to provide the best lifeline services we can. That is the Greens' approach.

Retrofitting an electric motor to a diesel ferry is a win-win, as it cuts pollution, emissions, noise and running costs. On a recent trip to Orkney, I was pleased to see the work that NorthLink Ferries and Orkney Islands Council have undertaken to reduce emissions through the use of onshore electricity connectors. Installing electric vehicle charge points on ferries would enable drivers to charge their vehicles en route, reduce range anxiety and increase the use of electric vehicles on the islands by residents and tourists. Sweden's Ropax ferries already have EV charge points. Such charge points can be retrofitted on our current vessels.

In order to upgrade and decarbonise the fleet, we need a strategic long-term plan, but that is challenging when the publicly owned operator, CalMac, has to bid for the contract every six years, at great expense. It would help if we were to end the competitive bidding process and make interisland ferries part of a publicly owned Scottish national infrastructure.

Fixed links are another important element of our transport mix and could provide cost-effective long-term solutions for island communities such as Yell and Unst in Shetland, where there is strong support for such links.

I stand firmly with our island communities, ready to listen and to incorporate their lived experience into our future work on the islands connectivity plan, the resource spending review and the second strategic transport projects review. I will be working hard with the Scottish Government to deliver a robust ferry network that will help to reverse depopulation and ensure a future in which our island communities can flourish and thrive.

16:40

**Kenneth Gibson (Cunninghame North) (SNP):** When it comes to the procurement and construction of new lifeline ferries—the Glen Sannox and 802—it is important to deliver the vessels, and ultimately the service, that our constituents both need and deserve.

As the local member for two island communities, Arran and Cumbrae, I can say that the sheer number of ferry-related emails and phone calls that I have received in recent months and years, even at the height of the coronavirus pandemic, reflects the increasingly poor and unreliable service that islanders have had to put up with for far too long.

Roughly 40 per cent of sailings to and from Brodick this year have been cancelled, mostly—but not only—as a result of inclement weather. That is totally unacceptable, and island constituents and businesses are understandably at the end of their tether.

It is simply undeniable that island communities have been affected by the repeated delays in, and the spiralling cost of, delivering a reliable Clyde and Hebrides ferry fleet. Most island constituents appreciate that a sustained and prolonged period of severe weather, as well as Covid outbreaks among crews, have caused severe disruption to lifeline ferry services for Arran and Cumbrae, and to others across the network.

However, those constituents also know that there have been serious project management failures in relation to construction of the Glen Sannox, which was originally due to be delivered in 2018 to operate on the Ardrossan to Brodick route. That vessel is absolutely key to improving the island's ferry services, but many islanders now wonder whether the ship will ever go into service. I was pleased, therefore, to hear reassurances, and a very determined statement, from the cabinet secretary that that will happen.

The recent announcement regarding a further delay in the delivery of that long-overdue vessel as a result of issues with legacy cables that were installed prior to the shipyard going into administration in August 2019 and damage to the hull after the Glen Sannox recently slipped its moorings, requiring a repair in December this year, adds insult to injury for Arran residents and businesses. Audit Scotland's report provides a timeline that details a plethora of missteps that ultimately led to the failure to deliver the two vessels on time and on budget.

Of course, hindsight is always in 20:20 vision. Let us not forget that, at the time that the contract was won by Ferguson Marine Engineering Ltd in Port Glasgow, there were few—if any—objections, and much celebration that the contract could, and would, revitalise the yard.

Luke van Beek, a former independent shipbuilding adviser to the Scottish Government, said that he

“was in no doubt that”

Ferguson Marine

“had the management expertise”,

and that,

“Having rebuilt the yard”,

it

“had a good shipbuilding system in place.”—[*Official Report, Rural Economy and Connectivity Committee*, 5 February 2020; c 2.]

Indeed, the pioneering diesel-electric hybrid ferries MV Lochinvar and MV Hallaig had just been delivered by the shipyard on time and on budget, to be followed soon after by the MV Catriona, which now serves Lochranza from Arran.

**Edward Mountain:** Does the member accept that CMAL, the company that was charged with overseeing the contract, was distinctly unhappy with the awarding of the contract? In fact, in August of the year in which the contract was awarded—a month before it was awarded—CMAL voiced its concerns as to whether the management of the company was capable of undertaking the job.

**Kenneth Gibson:** That is a fair comment. However, I have to say that the overwhelming view at the time, in the chamber and beyond, was that, on balance, the right contract had been awarded to the right yard at the right time. As I recall, as a member at that time, that was certainly the view.

Of course, we must not forget that the Scottish Government's subsequent actions to protect the shipyard from closure protected hundreds of skilled jobs in one of Scotland's most deprived

communities—a step that was criticised by some Opposition politicians, including Jamie Greene, who were apparently happy to see Ferguson's close. On 2 September 2019, Jamie Greene said:

“No one in their right mind thinks nationalisation is the answer to the Ferguson fiasco”.

However, Deloitte concluded, having assessed the Scottish Government's bid and three additional bids, that the former represented

“the best return for creditors”.

It has since become clear that Ferguson's has yet to prove itself able to deliver large vessels on time, on budget and to tender criteria. It is therefore my firm belief that the Scottish Government was right when it recently awarded the contract to build two new CalMac ferries to a Turkish shipbuilder.

That notwithstanding, FMEL has proven that it can deliver smaller vessels on time, on budget and to a high standard. I therefore believe that small vessel procurement should and will be funnelled through FMEL and that continued success in building small ships will, in turn, build confidence and expertise, enabling future bids for larger vessels.

Delivery of the Scottish Government's small vessel replacement programme will be absolutely crucial to improving the Largs to Cumbrae service in my constituency, and I would like to renew my calls for the programme to be expedited, given the high number of breakdowns of older vessels on the route.

Earlier this month, a rope and sea kelp lodged in MV Loch Shira's propeller blade, which meant that it had to be removed from service, with substantial repairs required in dry dock. Relief vessels were unavailable as a result of outstanding technical faults, resulting in many people being stranded in Largs and on Cumbrae for 21 hours.

Ferguson Marine might have more obvious project management shortcomings, but other decision-making actors cannot be exempted from criticism, including Transport Scotland, whose actions have at times been characterised by poor decision making, an excessive tolerance of risk and a lack of transparency and accountability.

Where does all that leave us? First, the shipyard's new chief executive, David Tydeman, must deliver the Glen Sannox and 802 and develop the yard so that it will once again be able to compete. I welcome early reports regarding the collaborative approach that the new CEO is taking in working closely with Caledonian Maritime Assets Ltd, including through the temporary transfer of an experienced CMAL staff member to Ferguson's management team.

Secondly, the Scottish Government must look at how ferry procurement, management and delivery can be reformed to improve transparency and accountability within the tripartite agreement between Transport Scotland, CMAL and CalMac. “Project Neptune” has explored how institutional arrangements can be improved, although, frankly, I believe that CMAL and CalMac should merge—a suggestion that I first made in 2007.

Finally, the Scottish Government, which has invested more than £2.2 billion in ferry services, vessels and infrastructure since 2007—despite Labour's 36 per cent cut in capital allocation in the last year of the dying Brown Government, an approach that was continued by the Tories' decade of austerity—must continue to provide vital funding for our ports and vessels to improve services.

I welcome the announcement of at least £580 million to 2026, and note Mr Simpson's calls for £1.4 billion in the next 10 years.

**The Deputy Presiding Officer:** You need to conclude now.

**Kenneth Gibson:** It would be interesting to see some detail on where the extra money would come from, given that capital funding from the UK Government will be cut by 9.7 per cent in the next financial year alone. The silence of the Tories on that matter during budget deliberations—

**The Deputy Presiding Officer:** Thank you, Mr Gibson. I call Stuart McMillan.

16:47

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I have said in this chamber before, and I have said to anybody whom I have talked to about the yard, that my loyalty is to the yard, its workforce and its future. Two weeks ago, when I was in Greenock, I was chatting to one of the gents who works at the yard about a number of things. He said to me that he is embarrassed to work at the yard. For anyone who works in a facility to say that they are embarrassed by that is, to me, abhorrent to say the least.

I welcome the report that we have in front of us today. It is independent and impartial. Nobody can say that Audit Scotland and the Auditor General are anything other than that. Sometimes, Audit Scotland reports are not comfortable reading, and this one is not, but it is independent and impartial, and I welcome it. I will reference sections of it.

In 2014, I did not expect the yard to go into liquidation. In 2019, I did not expect the Scottish Government to take on the yard because it was going to go into liquidation once again. Similarly, in 2021, I did not expect to be calling for a change of

management at the yard. In 2022, I did not expect to be in the situation that we are in.

The 2014 liquidation was a huge blow to the workforce and the Port Glasgow and Inverclyde communities. I welcomed the new owner of the yard and I was thankful for its coming in. It not only saved the existing jobs but managed to build the yard workforce back up, and I will be forever grateful to it for doing that. It also installed the first apprenticeship scheme for many years and, with that, it brought in the first ever female apprentice on the tools. Just think about that—let that sink in for a moment. Once again, I will be forever grateful to the then owner for installing that apprenticeship scheme.

While those actions were under way, there clearly were issues going on behind the scenes, as is detailed in the Audit Scotland report, and there were issues with the fabrication of the vessels. Paragraphs 4 and 5, on page 10 of the report, are helpful in that regard. Audit Scotland said, in paragraph 5:

“Despite CMAL agreeing to FMEL’s requests to change the contract and the Scottish Government providing financial support, FMEL entered administration in August 2019.”

On pages 17 and 18, Audit Scotland went on to say, in paragraph 18:

“In early 2017, 18 months after CMAL had awarded the contract, FMEL complained to CMAL and to Scottish ministers about the procurement process ... There was no evidence to suggest that the tender documentation was not understood by all bidders. Pre-contract documentation, including FMEL’s bid, suggested that FMEL was aware of the risks it was accepting at the point of contract award.”

We move on to 2019, when the Scottish Government took control of the yard. Audit Scotland said, in paragraph 92, with reference to the PWC report:

“The report concluded that doing nothing would likely result in the insolvency of FMEL.”

In 2019, if the Scottish Government had not stepped in to save the yard, the yard would have gone bust and jobs would have been lost.

**Graham Simpson** *rose*—

**Stuart McMillan:** Mr Simpson should hold on a minute and sit down, because this relates to points that he and Mr Greene made. In 2019, the yard was shutting and the jobs were going. The ships would certainly not have been finished—*[Interruption.]* They will be finished.

Paragraphs 96 and 97 are crucial to an understanding of how the Scottish Government came to own the yard. Fundamentally, the yard was going to shut anyway, as is highlighted by the reference to the appointment of administrators in August 2019. The Scottish Government stepped in

to fund the £6 million wages bill while the yard was in administration, which shows its commitment to keeping the yard open and supporting the workforce.

Paragraph 99 highlights that. Audit Scotland said:

“This meant that the Scottish Government made the decision to nationalise the shipyard without a full and detailed understanding of the amount of work required to complete the vessels, the likely costs, or the significant operational challenges at the shipyard.”

I do not see how that can be a surprise to anyone if we bear in mind the other aspects that are highlighted in that paragraph, in addition to the point that Audit Scotland made on page 4, in paragraph 3, where it noted:

“This internationally recognised contract places full responsibility and risk for the design and build of the vessels with the shipbuilder and does not allow the buyer to intervene in the running of the project.”

Thus, if relationships had broken down and information was not being shared, and, by law, the buyer—ultimately, the taxpayer; the Scottish Government and its agencies—was not allowed to intervene in the running of the project, I genuinely fail to see what the Scottish Government could have done to obtain more information.

CMAL has come in for a huge amount of criticism in recent years. Having read the Audit Scotland report, I sincerely hope that CMAL staff, after everything that has been thrown at them, will feel some of the weight being lifted from their shoulders. They had a part to play, but they were by no means the core of the problem of the past few years. They are skilled people, they have expertise and vast experience, and they know what they are doing. Audit Scotland highlights CMAL’s increasing role in the yard, which I think is welcome.

The workforce in the yard know what they are doing. The two shop stewards know the yard inside out and back to front. Audit Scotland talks about the additional investment that is required to make it competitive. Prior to FMEL, the yard was a shipyard only in name. It was a living, working museum. There had been no investment in the yard for decades, despite ships having been launched from it.

The workforce know that the skills are there. I encourage the new chief executive to work with the shop stewards and the workforce and not sideline them, as happened in the past.

16:54

**Paul Sweeney (Glasgow) (Lab):** Today’s debate is long overdue, and I thank Mr Simpson for bringing it to the Parliament. Audit Scotland’s report is timely. The on-going saga at Ferguson’s

can only be described as a national scandal. As with many of the Scottish Government's ill-fated industrial interventions, there has been mishap after mishap since the Government took over the yard.

It all started in 2015, when ministers awarded the £97 million fixed-price contract for two ferries, despite the Government's own procurement agency, Caledonian Maritime Assets Ltd, being hostile to the shipbuilder. Rather than there being a team Scotland national approach to re-establishing commercial shipbuilding on the Clyde, that attitude bred a toxic relationship and long-running feud, which ministers steadfastly refused to intervene in, despite direct pleas from the shipyard management to the First Minister to appoint independent arbiters. That culminated in the shipyard going into administration and a botched Government takeover, which has left the taxpayer with a £25 million exposure due to CMAL forfeiting an insurance bond with the HCC insurance company and then being successfully sued by the insurance company. When I raised the matter in June 2021, the Cabinet Secretary for Finance and the Economy claimed that I had rewritten history, saying that she could not comment on the on-going legal dispute. In January 2022, the court found in favour of the insurers and, in response to a written question about the same issue, the cabinet secretary, who had told me that I had rewritten history, accepted the point:

"The Scottish Ministers accept the summary judgement in the English court proceedings".—[*Written Answers*, 28 February 2022; S6W-06586.]

The takeover was botched, and it was allowed by the failure to complete the Glen Sannox to cost, quality or schedule, meaning that it was launched in 2017 in a low state of outfit, with no bridge windows and a bulbous bow so defective that it has since had to be removed and replaced. Her sister ship, hull 802, which was planned to be launched in 2018, is still on the slipway—[*Interruption.*] I am sorry, but I cannot take an intervention.

There is no sign of a firm launch date in sight. Audit Scotland now estimates that the two ferries will cost £240 million, which is two and a half times the original price, and the company ran a £100 million loss in its first year of state ownership.

To add insult to that grievous injury, we now have the embarrassing situation of the contract for the two newest ferries for Scotland's publicly owned ferry operator being awarded to a shipyard in Turkey instead of at Scotland's publicly owned shipyard, which did not even make the final shortlist. All the while, Tim Hair, who held the job of turnaround director at Ferguson's without a hint of irony, was pocketing £2,500 a day—more than the managing director of BAE Systems, the UK's

most successful and largest shipbuilding company.

There have been numerous changes of structure, ownership and leadership at Ferguson's, but one thing that has remained consistent throughout is the presence of the First Minister. Her fingerprints are all over the botched takeover, all over the disputes between FMEL and CMAL and all over the ever-increasing costs to the taxpayer. It is about time that we heard some contrition on the part of the Government and an admission from the First Minister herself that she takes some personal responsibility for the mismanagement instead of claiming that her Government was somehow a white knight in what has become the single biggest public procurement disaster in Scottish history.

We all know about the failings at Ferguson's, and those failings undoubtedly have consequences. They have consequences for island communities, which are left without lifeline ferries, for our industrial base and capabilities, and for the local communities around Inverclyde, which are left standing idly by while contracts for Scottish ferries are won by overseas competitors. It is for those reasons that we cannot simply allow Ferguson's to continue on the path that it has been on since 2017. We need a strategy that focuses on a workforce plan, a continuous drumbeat of contracts and an ambition for shipbuilding in Scotland to be returned to its former glory as a global player.

A recent report by the Westminster all-party parliamentary group for shipbuilding and ship repair highlighted the workforce challenges facing the sector and recommended that

"a Strategic Workforce Register"

should be established to collate

"a database of individuals with interest, skills and capabilities relevant to naval shipbuilding, sustainment, and supply chain industries."

That would give a focus to a national effort to train people up and fill the gaps, managing the workforce across different shipyards on a national basis.

Public sector contracts in Scotland alone offer a massive opportunity to anchor a continuous merchant shipbuilding programme. There are 34 vessels in the CalMac fleet, with an average lifespan of around 25 years. If Scottish shipyards were to be awarded the contracts for the entire fleet—as the Ministry of Defence does for naval shipbuilders—that would mean a drumbeat of one new vessel coming out of a Scottish shipyard every nine months. At the current replacement rate, however, it would take 87 years to renew the entire CalMac fleet, which is obviously unsustainable.

If returning shipbuilding in Scotland to its former glory was a genuine ambition of the Government, we would not be in the absurd position whereby a national asset such as Inchgreen dry dock, one of the largest in Europe and less than a mile from Ferguson Marine's cramped and antiquated shipyard, is having its potential suppressed by its owners purely to give their Merseyside shipyard subsidiary a competitive advantage. Instead, Scottish Government ministers are lauding the creation of 100 jobs in ship scrappage at Inchgreen, many of them going to agency workers and workers on temporary contracts—at that vast facility, built with public money, which could feasibly create thousands of highly skilled, well-paid, secure shipbuilding jobs for the local community and the nation.

If we are to have any intention of unlocking our potential as a nation, Inchgreen should be subject to a compulsory purchase order and heavily invested in as a national shipbuilding asset, with Scottish firms such as Ferguson Marine, Malin Marine Services and Dales Marine Services forming the basis of a national effort to restore commercial shipbuilding at scale on the Clyde in collaboration with naval shipbuilders such as BAE Systems and Babcock International.

Fundamentally, we need to end the boom-and-bust, feast-and-famine approach to shipbuilding that has plagued Scotland for the past decade. For too long, uncertainty and incompetence have dominated the shipbuilding landscape. The approach means that there is no confidence to attract the sustained capital investment that is needed to establish world-class shipyard infrastructure and for a local supply chain ecosystem to flourish. More important, it means that there is no foundation on which to recruit and train a younger skilled workforce that would be the backbone of the industry for decades to come.

Scotland has a proud shipbuilding industry, and the shipyards on the Clyde have produced world-class vessels, but the Government's record on shipbuilding has not filled me with confidence. It should start to listen to people who know what they are talking about and who want Scottish shipbuilding to succeed.

**The Deputy Presiding Officer:** You need to conclude, Mr Sweeney.

**Paul Sweeney:** We will then start to turn the tide.

**The Deputy Presiding Officer:** We have no time in hand now, so members will have to stick to their allocated speaking limits and accommodate interventions within those limits.

17:00

**Jenni Minto (Argyll and Bute) (SNP):** As the MSP with probably the highest number of ferry routes in their constituency and as someone who lives on an island, I understand the shortcomings of the service only too well, and I therefore have a bigger stake in its improvements than most who are sitting in the chamber. The minister's apology is very much appreciated.

Since May last year, there have been some quick wins. Camper vans must book, school minibuses get reduced fares and the CalMac community board has wider responsibilities. Those may seem small wins to those who do not live on an island, but they have made a difference.

As others have said, the Scottish Government has committed £580 million to fund new ferries and port investments over the next five years. On Monday, I travelled just 2 miles from the Parliament to Leith docks, where the MV Utne is currently being transformed into the MV Loch Frisa to serve the island of Mull. To respond to Mr Kerr's intervention, the MV Coruisk's capacity was 40 cars; the MV Utne's capacity is 34. Passenger numbers are down, so there is a reduction, but that ferry will ply the route year round. The island made that request five years ago, and that is now coming to fruition. I think that that is a good result. It will provide a welcome addition to the route and release the MV Coruisk to other routes, as the minister has said.

In addition—this has also been talked about—there will be two new ferries for Islay. CMAL announced the preferred bidder for that contract earlier this month. The new vessels will bring an almost 40 per cent increase in vehicle and freight capacity on the Islay route and a reduction in emissions, and they will improve the resilience of the wider fleet. The first vessel is expected to be delivered in October 2024, and it will enter service following sea trials and crew familiarisation. The second vessel will follow in early 2025.

There are further projects: the small vessel replacement programme, new vessels for the Dunoon-Gourock-Kilcreggan triangle, and other services, with the Mull consultation in early stages.

It will come as no surprise that emails about ferries top my emails and that ferries are at the top of people's agendas in my constituency visits. It is important that I have many constituents who have ideas about how the service could be improved and who welcome the forthcoming publication of "Project Neptune" and the opportunity that that will give them to feed into the process. I ask the Minister for Transport to listen to their suggestions.

On structure, there are strong views about the split roles of CMAL and CalMac. I need to be clear that those are about the structures and not the

great teams of employees of both organisations, as Stuart McMillan highlighted.

Another proposal to get us through the months until the new vessels are ready is hiring a freight boat. It has been suggested that that could be used across several routes to give different islands benefit.

In the past two weeks, I have used CalMac's services to the islands of Bute, Gigha and Mull. I am pleased to say that all the ferries ran to schedule and that I reached my destinations on time.

If I may, I would like to drop a few pebbles into the water, which I hope the minister and her team will take account of.

On Bute, some children use the ferry as though it is a school bus service. With free bus travel for under-22s, could something similar be introduced for ferries?

Pensioners have concerns about price rises across the network, which have been exacerbated by the cost of living crisis.

On both Bute and Gigha, the ferry service is not bookable. The people of both islands want to keep it that way, but they wonder whether there is a way to prioritise booking for locals who are making essential journeys, for example for hospital appointments or funerals—as has been mentioned throughout the debate—so that they can get off the island and return on the same day. When I was on Mull at the weekend, that subject was raised by constituents there, too. Over the past few months, I have also been having similar discussions with the Islay ferry group and CalMac, which led to meetings with Transport Scotland about an increase in commercial vehicles on ferries due to a projected increase in whisky production and the impact that that is having on the smaller or ad hoc freight carriers and, of course, other travellers.

That gets to the nub of the problem. With the current capacity constraints, there are different calls for space from residents who want ease of travel, commercial vehicles that serve businesses and those whose businesses depend on tourists. I am pleased that the minister has offered to look into this to see whether changes can be made. I am told that the Danish island of Samsø has an island card, which helps with a similar situation.

I also attended a joint meeting of the Coll and Tiree ferry groups, which the minister referenced. They have organised meetings with CMAL, CalMac and Transport Scotland but feel as though they are hitting a wall. Their islands have suffered over this winter, having gone for periods without a ferry. The three storms in quick succession made up the perfect storm, which was added to by the

required maintenance schedule that my colleague Jackie Dunbar referred to. I quote from a recent email that I know the minister has seen:

“Our primary school on Coll has run out of heating oil and the impact on business on Tiree is now running at the rate of £1450 loss for one guest house”.

I look forward to discussing these points further with the minister.

I know that the Scottish Government recognises that ferries are an essential part of Scotland's transport network and that the quality of our ferry services impacts on all of us. It is good news that the islands connectivity plan is being taken forward through the national transport strategy and the strategic transport projects review, which will also consider other potential options to connect our islands. Engagement and consultation on that will enable substantial public and community input. I know that my constituents are willing—and are wanting—to get involved, as this is their lifeline service.

Finally, on a positive note, if I may, Presiding Officer—

**The Deputy Presiding Officer:** Not really, Ms Minto. You are now over time, I am afraid. Be as brief as possible.

**Jenni Minto:** I will do. Very briefly, when I travel between my home on Islay and the Parliament, or to any of my 23 islands, I am constantly impressed by the cheerful hard work and helpful attitude of ferry crews and port staff.

17:07

**Donald Cameron (Highlands and Islands) (Con):** I am very pleased to follow Jenni Minto, who made a very reasonable and moderate speech about the various ideas that people bring to the table. I also associate myself with her comments about ferry staff and those who work in the ferry ports.

Let me begin by mentioning an island in Jenni Minto's constituency: the island of Mull. I take you back to Saturday, 12 March, this year—barely 11 days ago. Mull is, of course, relatively close to the mainland, but it is still reliant on ferries. It has four routes: one, Craginure to Oban, which is the main one; two, Tobermory to Kilchoan; three, the Mull to Iona ferry, which serves a resilient but small community on Iona; and finally, Fishnish to Lochaline, which is less busy because of the long road detour on the mainland but is still a crucial link.

Here is a picture of ferry services on that day. All Craginure to Oban sailings between 8.15 in the morning and 6.40 in the evening were cancelled. All Craginure to Oban sailings between 8.15 and 6.40 the day after were also cancelled. All services

between Tobermory and Kilchoan were cancelled. On the Mull to Iona route, the ferry had gone out of service the day before, leaving Iona without service since 10.00 that morning. On the Fishnish to Lochaline route—the only one of Mull's routes to the mainland that was then operating—people had to make do with a smaller replacement vessel, which was unable to carry commercial vehicles. That is one island, on one day, with one minimal, skeletal service, and all due to boats being taken out of service for repairs or for other technical reasons. It was not due to the weather, or to Covid, or to staff shortages. It is a case study of the sheer disarray that constitutes Scotland's ferry service.

If that situation was unusual or abnormal, people might be willing to grant the Scottish Government some leeway. The shocking thing is that it is not unusual—it is what qualifies as normal service. It is, sadly, what people have come to expect; it is what people on our islands have to put up with day in, day out. That is the truly scandalous aspect of the crisis; that is what should shame a Government that has had control of the ferry network for a decade and a half.

Some MSPs here have rightly concentrated on Ferguson Marine; others have spoken about CalMac and CMAL. We have been reminded that CalMac warned the Scottish Government in 2010 that one new ferry was needed every year simply to keep up, and it was Edward Mountain who said that it is now two and a half ferries every year that are needed.

Some have spoken about systemic problems, whether that be the incompetent approach to procurement or the ageing fleet itself, with over half the boats past their use-by date. However, today, I want to talk about the human aspect of all this. Islanders of course accept that their way of life means that allowances must be made for disruption to travel on and off the islands. For those who do not need a ferry on a specific day and are able to wait, they can put up with the odd delay or cancellation. However, not everyone can wait. Some people need to travel at once and they need a robust and reliable service: the crofter who needs to get livestock to the mart; the seafood business that needs to get live shellfish to market; the patient with the hospital appointment that they simply cannot afford to miss; the services and trades that need to get to and from the islands for work; and the accommodation providers that stand to lose bookings.

Even schooling can be affected. It has been estimated that secondary school pupils from Iona who have to travel to the new high school in Oban have missed out on 30 per cent of their education due to a mixture of cancellations and the unreliability of early and late sailings from Iona.

That is almost a third of their education provision and that is before taking account of the impact of the pandemic. The minister used to be a teacher—does she think that that figure is acceptable?

These are human lives and human stories; these are people who are affected every day by this crisis—people who, if things do not improve, will leave the islands. They will forsake their lives there, their jobs and their friends. We will have the depopulation that we all know is such a threat to island life. Particularly for those of working age with young families, the failing ferry service is now a driver of depopulation. Ariane Burgess was right when she talked about families from South Uist. That is not a political point; it is being said the length and breadth of our islands. The ferries community board, which is a neutral body that simply represents communities, recently expressed its concern. It said:

“While we are well used to living with the effects of weather on our ferry services and more recently Covid, the recent extent and duration of mechanical failures on multiple vessels has led to massive disruption right across the network.”

It carries on to say:

“Unfortunately, this is unlikely to be a one off with such an ageing fleet in our challenging environment. This represents a real threat to our islands' ability to retain and attract people, ensure services are sufficiently reliable and at prices that permit viable communities and thereby avoid depopulation.”

I urge the minister to travel to the islands and speak to and listen to the islanders. Do not just consult the civil servants, Transport Scotland, CMAL, CalMac and the vast panoply of vested interests. A few years ago, the Government passed the Islands (Scotland) Act 2018—an act that requires public services to be tested in terms of their impact on island communities and an act that, at the time, was much trumpeted by the Scottish Government as ensuring island proofing. I suggest that the very first place to start when it comes to island proofing is to sort out the mess that is Scotland's ferry services.

There is a question of responsibility; Willie Rennie was correct. We have hardly had any apologies. I note and welcome what was said at the start of the debate. However, we have had no resignations. Despite this saga lasting years and years, has anyone in a position of authority ever stepped up and accepted the blame for this? Has anyone in CalMac or CMAL or Transport Scotland ever accepted their role in this fiasco? Has anyone in the Government—any one of the many transport ministers—just once taken the blame?

People can blame the weather; they can blame the pandemic; they can blame the ferry agencies; and they can blame the operators. However, ultimately, this constitutes a failure of

Government—this Government; a failure to serve those who live and work on every island in Scotland; a failure that will not be forgotten, still less forgiven; and a failure that should belatedly shame this Government into taking action.

17:14

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** This late in the debate, I will focus on the actions of P&O and fire-and-rehire practices, which are referenced in the SNP amendment and have been referenced by some Labour contributors.

I first pay tribute to my colleague Emma Harper, who would have been taking part in the debate, but her energies are used elsewhere as she stands shoulder to shoulder with sacked workers at Cairnryan. She has rightly said that P&O services are essential for the local economy and are critical for many businesses in Scotland, Northern Ireland and Ireland. The services support jobs not only in the port but in local businesses that support the ferry routes.

Incidentally, the local member of Parliament, Alister Jack—reputedly Scotland’s man in the Cabinet—has not had much of an impact on the subject. He does not have much of an impact, generally speaking.

Before the recent events, how many of us knew that DP World, a logistics company based in Dubai, owns P&O? The company sacked 800 workers online and frogmarched them off vessels to be replaced by cut-price agency workers, ruthlessly casting aside the workers who tried to keep the company afloat during the pandemic.

The thing is that P&O insists that it did not break the law when it fired those workers without notice or consultation. Rightly, in Scotland and at UK level, politicians have challenged the company’s claim that laws were not broken with that shock sacking. If it turns out that the company has not broken the law, that raises questions about UK employment law.

The defence may be that all vessels that were involved were registered outside the UK and that the relevant authorities in each case had been notified. However, under UK employment law, workers’ rights are based on the jurisdiction from which they work—in other words, because they work in the UK, they are covered by UK law. On that basis, as there was no consultation, the law may have been broken. However, at the end of the day, even if that is the case, that would be a pyrrhic victory for employees, as the legal dispute would be drawn out while they remain jobless yet with on-going financial commitments such as mortgages and overdrafts, and with the possibility of legal costs.

There has already been a response from CEO Peter Hebblethwaite to the Secretary of State for Business, Energy and Industrial Strategy, Kwasi Kwarteng, dated 22 March saying that the

“very clear statutory obligation in the particular circumstances that applied was for each company to notify the competent authority of the state where the vessel is registered.”

He wrote that notification had been made to the relevant authorities on 17 March, and that no offence had been committed regarding notification to the secretary of state. I will come on to why that is relevant later.

There has been a lot of hand wringing by Grant Shapps and others, but they are in the very Tory Government that, just last year, blocked an attempt to pass a law that would deter employers from using fire-and-rehire tactics to bully workers into lower-paid jobs. I support Labour colleagues on that matter.

On introducing the Employment and Trade Union Rights (Dismissal and Re-engagement) Bill to its second reading in the House of Commons, Labour’s Barry Gardiner said that his bill

“would require businesses to meaningfully consult with their workers and worker representatives when such restructuring is required”.

In shorthand, that would mean no fire-and-rehire tactics.

**Rachael Hamilton:** Will the member take an intervention?

**Christine Grahame:** I want to make my points.

During that debate, politicians from all sides of the house appeared to agree that fire and rehire tactics are morally wrong, but Conservative MPs pushed back against the need for legislation, saying that updated Advisory, Conciliation and Arbitration Service guidance to businesses should be enough to tackle the problem. Well, it is not.

The UK Government then voted down a closure motion, which would have allowed the house to vote for or against the bill, and proceeded to filibuster until it ran out of time. Finally, Conservative MP Peter Bone said:

“It seems to me that this is about something for next year. There are 17 Bills to be debated today. Why was it urgent to have this statement in private Members’ time rather than Government time?”—[*Official Report, House of Commons*, 22 October 2021; Vol 701, c 1065.]

I hope that he lives to rue those words.

I will conclude by reminding Tory members of the ferry contract for ferries that were not or could not be delivered. Let us not forget the actions of the gormless Grayling, previous UK transport minister, who cancelled the ferry contracts that were signed to ensure that critical imports could

reach the UK in the event of a no-deal Brexit, costing taxpayers a further £50 million. Contracts worth £89 million with Brittany Ferries and DFDS to secure ferry space for vital goods across the channel were cancelled. According to National Audit Office estimates in February, the cost of compensation to ferry operators for termination would be up to £56 million. As the grand finale, Chris Grayling paid £1 million to consultants for a £14 million contract with Seaborne Freight, but the contract was scrapped after it emerged that Seaborne Freight did not build ferries, ships or boats.

My final comment about Grayling is that, in 2018, he amended UK legislation so that the secretary of state did not have to be notified of mass redundancies on ships that are registered overseas. I wonder why. It could be that, thanks to Grayling, P&O is off the legal hook. With that kind of track record, he will soon be knighted and in the House of Lords, where all the failed ministers go.

**The Deputy Presiding Officer:** I remind members that name calling is not necessary in debates.

17:20

**Rhoda Grant (Highlands and Islands) (Lab):** I associate myself with Neil Bibby's comments on P&O. Our ferry workers provide lifeline services and should not be treated in the way that they have been. I pay tribute to CalMac workers, who also provide lifeline services. Neither they nor the workers in Ferguson's are responsible for the situation that we find ourselves in.

Let us be clear that the blame for the ferry fiasco lies squarely at the door of the Scottish Government. CMAL told the Government, in no uncertain terms, that the FMEL contract that it was entering into was a huge risk, but the Government ignored the warning. Scottish ministers decided to steamroller on and, as Graham Simpson said, we still do not know why, because the decision and its reasons were not documented. That decision involved an estimated £97 million of public money, and we do not have properly documented reasoning for it. The decision has now cost two and a half times that amount and we do not even have a rowboat to show for it; only Jackie Dunbar can see that as an achievement.

The minister must tell us today why those decisions were made, because that lack of transparency is absolutely unacceptable. It is not just about an incompetent Government that squandered public money while taking selfies in front of ferries with painted-on windows; it is about the communities that the ferries serve. People cannot get to hospital or go to funerals, and businesses are failing because they cannot get

their products off-island. The Government is responsible for boosting the economy, not killing it.

Ariane Burgess talked about three families leaving Uist but, because of the ferries fiasco, they will not be the only ones. Some businesses are losing thousands of pounds with each failed sailing. On a smaller scale, others are losing their weekly income at the same time as they face rising costs.

Katy Clark talked about the need for communities to be involved in planning the ferry fleet. If they had been involved, we would not be in this mess now.

CalMac has just suffered one of the worst winters in its history and has had to do so with one hand tied behind its back. Creaky vessels are having frequent technical breakdowns; vessels are not equipped for a changing climate and worsening weather; the infrastructure does not allow flexible deployment of vessels where and when they are needed; and there is not enough funding to allow ferries to operate at full capacity, even when we place aside Covid impacts on crews. I am advised that CalMac alone would require a minimum of £7 million additional funding just to employ the crew that it would need to meet demand.

The minister cannot pass the buck to CalMac, because CalMac's action plan would include boats and crew, both of which are being withheld by the Scottish Government. The Scottish Government blames the weather, but if the wrong boats are in the wrong place, they cannot sail in bad weather.

As Neil Bibby said, our communities deserve a public inquiry into how they have been failed so catastrophically over hulls 801 and 802, and we can add to that the exposure that Paul Sweeney highlighted. It is not good enough for the Scottish Government to blame everyone else when the blame sits squarely at its door. Today's apology is welcome but, in giving it, the minister continued to deflect blame.

Graham Simpson highlighted the fact that the average age of the fleet, which the Scottish Government aimed to take down to 12 and a half years, has soared to more than 25 years. As Katy Clark pointed out, 25 years is the accepted operational life of a ferry. She said that operational issues are due to the ageing fleet and not to CalMac. Perhaps CMAL is tendering for two new ferry engines because the ones that they will replace are obsolete and replacement parts cannot be procured.

The Scottish Government has no strategy and no plan, and it has a set of ministers who have proven themselves at best naive, but most likely incompetent or worse. Willie Rennie pointed out that that incompetence is not reserved to ferry

procurement but runs though the SNP Government like letters in a stick of rock. The Government has not saved Ferguson's; it has damaged Ferguson's. My heart goes out to the worker whom Stuart McMillan talked about. The Scottish Government has a duty to restore the reputation of the yard and safeguard those jobs, as Paul Sweeney highlighted.

In order to have an adequate fleet that meets the bare minimum of a community's needs, we should be launching a new vessel every two years. Today, the Cabinet Secretary for Finance and the Economy refused to guarantee that the two new ferries will come into operation, and she refused to take responsibility if they do not. We need a streamlined and effective strategy. Instead, planning and operation are split across multiple quangos and operators, such that the right hand does not know what the left hand is doing, and all that is overseen by an incompetent Government.

Our communities are beyond desperate and they deserve better. It is time for the First Minister to take control.

**The Presiding Officer (Alison Johnstone):** I call Jamie Halcro Johnston to wind up. [*Interruption.*] I apologise, Mr Halcro Johnston. I call Kate Forbes to wind up. You have up to seven minutes, cabinet secretary.

17:26

**The Cabinet Secretary for Finance and the Economy (Kate Forbes):** Thank you, Presiding Officer. I do not know whether that was a promotion or otherwise.

I echo my colleague's apology to island communities. I, too, pay tribute to the hard work of all the staff who support our ferry networks—the people who work in all weathers and throughout the restrictions that have been imposed due to Covid-19 to ensure that our lifeline services provide a reliable and resilient service to the communities that they serve.

It goes without saying, although many have said it this afternoon, that ferries are a lifeline. For our island communities, they are the equivalent of a road in more urban areas. Our island communities rely on them for access to employment, health services and education, and to see their loved ones. We have heard anecdotes this afternoon to that effect. Ferries are also essential in supporting a vibrant and growing tourism sector and in sustaining local businesses, enabling the distribution of products and providing vital supplies to support local trade.

At several points this afternoon, I have mentioned my constituency and the islands in it, because I understand the impact directly. If emails

to Jenni Minto regularly refer to ferry services, so, too, do emails to me. In fact, Donald Cameron's example referenced several locations in my constituency.

Jenni Minto talked about the MV Loch Frisa, which would secure the return of MV Coruisk to the Mallaig to Armadale route. That is an example of an improvement to the service, which my constituents have been waiting for for a number of years. It will considerably improve resilience on the Mallaig to Armadale route this summer.

We are working on the small vessel replacement programme, new vessels for Dunoon and Kilcreggan, further major vessel replacements for Mull and South Uist, and replacement freight ships for Orkney and Shetland.

**Jamie Halcro Johnston:** As my colleague Edward Mountain highlighted, the deal with Ferguson's was based on a fixed price with milestone payments. That price spiralled out of control, and we have seen the delays—we heard all about them today. This week, the chief executive of CMAL advised me that, in relation to the agreement with the Turkish yard, the contract has been agreed on a fixed-price basis with agreed milestone payments. What will be different this time?

**Kate Forbes:** We have learned a number of well-documented lessons from the previous procurement. For example, as the member referenced, full refund guarantees are embedded in future contracts.

I return to talking about the communities. Over the next four years, we will introduce four major vessels to the Clyde and Hebrides network. The Glen Sannox and hull 802 are expected to be in service from summer 2023 and winter 2023-24. Islay vessel 1 is expected in service from summer 2024, and Islay vessel 2 from winter 2024-25. In addition, as has been referenced, the MV Loch Frisa is on course to be deployed on the Craignure to Oban route from May this year.

**Paul Sweeney:** Will the cabinet secretary give way on that point?

**Kate Forbes:** I would like to make some progress—I have limited time.

I pay particular tribute to four constituency MSPs: Jenni Minto, Alasdair Allan, Kenny Gibson and Stuart McMillan. They all represent constituencies that rely on ferry routes and met Jenny Gilruth, the Minister for Transport, last week. They directly represent their constituents robustly and are not slow in representing the views that constituents raise with them. They are also actively involved in looking for solutions to the problems that their constituents face.

Alasdair Allan made the point about the need for more engagement with communities. Such suggestions and solutions are being progressed. He talked about the need for more capacity in the Western Isles, particularly while the Uig to Tarbert service is out of action later this year.

Jenni Minto said that, for her, as an islander, the stakes in getting such issues resolved are particularly high. She talked about Bute children who use the ferry as a bus service and about the fact that constituents want to be truly involved in the decision-making process. Katy Clark and Rhoda Grant also made that point, which I agree with. We must also balance the needs of the different users of the vessels— Islanders, businesses and visitors. We need to consider how that can be better managed.

We have spoken at length about Ferguson Marine, and I want to use some of my time to talk about that issue again. I have already set out the scale of the challenge and our commitment to make further progress. Progress has not been as fast as we would have liked, but we are making further progress.

Many people have talked about the importance of the workers in the yard, paying tribute to them. Stuart McMillan has frequently represented the workers' views, particularly the shop stewards' views. That has actually delivered results in relation to a closer working relationship with CMAL, which was called for, and the importance of having a pipeline of talent through the apprenticeship scheme and of ensuring that leadership is ultimately accountable. The shop stewards and workers know the yard and know their trade. I assure them that Stuart McMillan represents them and their interests vigorously in his discussions with me.

There has been talk of significant increased investment in ferries and ferry procurement. As members know, I am always open to additional budget asks. I am happy to be corrected but, in relation to the three budgets that I have introduced, I cannot think of a single time when either the Conservatives or the Labour Party have made additional ferries funding a key requirement, whereas the Liberal Democrats, to be fair, and SNP members have done so. I do not know who will take it forward, but I look forward to next year's budget and to additional funding for our ferries being front and centre of the asks of the Labour Party and the Conservatives.

We recognise the work that needs to be done, the importance of ferries and the need to ensure that there is a robust and renowned shipbuilding industry in Scotland. The debate has flushed out those issues in more detail, and I look forward to progressing them with Jenny Gilruth.

17:33

**Jamie Halcro Johnston (Highlands and Islands) (Con):** As an islander, I think that today's debate has been an important one. It has been illuminating, although, I suspect, not in the way that the Scottish Government would have hoped.

For far too many years, there has been a slow-burning fire where a Scottish Government ferries strategy should be. That has had a real impact not only in my Highlands and Islands region but across other parts of Scotland.

We are all guilty of sometimes looking too much at the symptoms. We are annoyed by cancellations. We get upset about the impact on the economic recovery of our communities. As many of us have done today, we focus on those most obvious rusting reminders of ministerial failure that sit, unfinished, on the banks of the Clyde—the wooden windows and fake funnels of the Glen Sannox, as Edward Mountain highlighted. The project was launched with a fanfare that must now make even the First Minister cringe with embarrassment. As Neil Bibby said, ministers were quick to head down there when there were public relations opps, but not so much now.

Although we must take a real look at the causes and solutions, underlying it all is a Scottish Government that has taken remote and island communities for granted—a Government that has, more than any in the history of devolution, shied away from structural change in favour of showmanship, and a Government that has placed long-term problems that need big solutions in the “too difficult” pile.

Now, after almost a decade and a half in power, the consequences of that approach are showing in almost every part of our lives. There have been too many examples of those consequences from around the chamber today. I want to emphasise the impact of those consequences on the lives of the communities that ferries serve.

I mentioned recovery, which is a key area. At vital parts of this two-year pandemic, businesses and workers have sought to get things back on track and to bring in money when they could, often after long periods of being unable to operate at all. However, too often, communities have been hampered in that recovery by the problems with their ferry links.

For some parts of our economy, there have been longer-standing problems, with some of our most fragile communities left behind by choices that were made for them in Edinburgh. For some, the problems have meant poorer access to public services, as members have highlighted, with islanders having to miss rarely available appointments on the mainland because of a lack

of transport options. Although isolation has been one of the worst parts of the pandemic for many people, for some who are reliant on an unreliable network, that isolation was made worse.

There has yet to be a clear, strategic look at Scotland's ferries in the round. The Scottish Government has attempted to answer concerns in a piecemeal and short-termist way. It has often broken promises on fair funding and road equivalent tariff in the northern isles. First, we get the pledges, which then become ambitious targets and, finally, aspirational dates in the diary to be conveniently forgotten. Our islands have too often seen ministers visit and make promises. Islanders have then watched those promises sail away into the sunset, never to be met—if only the ferry network was that predictable.

It will take an entirely different approach to resolve the issue. We are calling today for an inquiry into the repeated failures to make provision for renewing our ageing fleet. Above all, we need to examine the sustainability of the fleet in delivering current levels of service. We know that it is not only the franchised ferry fleets that are in need but those that the two local authorities in Orkney and Shetland operate.

At the same time, any strategic examination of ferries must make a credible estimate of the costs and advantages of fixed links. Colleagues will know that fixed links can take a number of forms and that they could be a key part of the transport network in the northern isles, as Willie Rennie highlighted. Where real benefit can be demonstrated—I believe that, in many cases, it can be—we should get on with the job of building sooner rather than later.

We must be realistic about the needs of our fleet in order to be able to review them and set them out for the coming years and decades. That will take a level of honesty and commitment to funding and to the sort of contingencies that are essential in such operations.

As we look forward to reducing carbon emissions, where do our ferries stand? The Scottish Government can hardly claim to have any leadership role when we buy up from abroad vessels that countries dispose of as they switch to renewable alternatives. Norway aims to have an entirely electric car ferry fleet by 2025. Where will Scotland stand at that point? We know that the Scottish Government's decision to buy the northern isles boats has put it even further away from its own targets for reduced emission vessels.

At the heart of these decisions must be the communities themselves. The future of routes, provision and resourcing should not be decided in St Andrew's house or Transport Scotland alone. It should not be left up to ministers or officials in

whom communities, understandably, have little confidence.

Those decisions should be made with by consulting and collaborating with people who depend on ferries, but that simply does not appear to be on the Government's agenda. As the local council highlighted, the Western Isles still have no one on the board of CalMac—the very operator that provides vital lifeline services to those islands.

A number of notable contributions have been made today. My colleague Graham Simpson highlighted that NASA designed and built rockets to go to the moon's Sea of Tranquility quicker than the SNP has taken to build a replacement ferry to Tarbert. He also highlighted two figures that relate to how much is needed to invest in our ferry fleet. Former transport minister Graeme Dey is reported to have suggested that it would take £1.5 billion over 10 years. Our estimate is £1.4 billion.

Edward Mountain noted that Scotland now needs to build 2.5 ferries every year for 10 years just to get back on track. However, there is no inherent problem with Scottish shipbuilding or contracts from Government. In the past few years alone, yards in Scotland have delivered two aircraft carriers for the Royal Navy and are producing type 26 and type 31 frigates for the UK Government.

Speaking about the ferries at Ferguson, Jamie Greene rightly highlighted that, despite the endless failures, the delays, the cost increases and the people and communities that have been let down, no one in the SNP Government has been held to account.

My colleague Donald Cameron spoke passionately about the degradation of the service that people in the Western Isles have come to expect, its potential to further the problem of depopulation and the impact on schoolchildren on Iona of unreliable ferry links with Oban.

There has been a growing crisis in our ferry services for some time now. A programme of recovery will be one strand of sorting things out, but, as we have made clear, that will not be the only action that is needed. We need a long-term, strategic approach to ensure that services remain sustainable and operational and that they improve for the communities that we serve.

I hope that the minister and her colleagues have noted the many examples that have been outlined today, and I hope that the cabinet secretary recognises and accepts that this is not good enough now, and that it is getting worse. Our constituents are watching. They are desperate for better from this Government. I hope that every MSP across the chamber who genuinely cares

about the future of communities that rely on ferries will support our motion.

**The Presiding Officer:** That concludes the debate on Scotland's ferries.

## Business Motions

17:41

**The Presiding Officer (Alison Johnstone):** The next item of business is consideration of business motion S6M-03768, in the name of George Adam, on behalf of the Parliamentary Bureau, on changes to tomorrow's business.

*Motion moved,*

That the Parliament agrees to the following revisions to the programme of business for Thursday 24 March 2022—  
after

*followed by* Ministerial Statement: A Retail Strategy for Scotland

insert

*followed by* Ministerial Statement: NHS Scotland Pandemic Pressures

after

*followed by* Legislative Consent Motion: Building Safety Bill - UK Legislation

insert

*followed by* Financial Resolution: Good Food Nation (Scotland) Bill

delete

5.00 pm Decision Time

and insert

5.30 pm Decision Time.—[George Adam]

*Motion agreed to.*

**The Presiding Officer:** The next item of business is consideration of business motion S6M-03746, in the name of George Adam, on behalf of the Parliamentary Bureau, setting out a business programme.

*Motion moved,*

That the Parliament agrees—

(a) the following programme of business—

Tuesday 29 March 2022

2.00 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Topical Questions (if selected)

*followed by* Health, Social Care and Sport Committee Debate: Perinatal Mental Health

*followed by* Stage 1 Debate: Scottish Local Government Elections (Candidacy Rights of Foreign Nationals) Bill

*followed by* Committee Announcements

*followed by* Business Motions

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time  
*followed by* Members' Business  
 Wednesday 30 March 2022  
 2.00 pm Parliamentary Bureau Motions  
*followed by* First Minister's Statement: COVID-19 Update  
*followed by* Portfolio Questions: Health and Social Care; Social Justice, Housing and Local Government  
*followed by* Ministerial Statement: Moray Maternity Services  
*followed by* Scottish Government Debate: Keeping the Promise Implementation Plan  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
*followed by* Approval of SSIs (if required)  
 5.00 pm Decision Time  
*followed by* Members' Business  
 Thursday 31 March 2022  
 11.40 am Parliamentary Bureau Motions  
 11.40 am General Questions  
 12.00 pm First Minister's Questions  
*followed by* Members' Business  
 2.30 pm Parliamentary Bureau Motions  
 2.30 pm Portfolio Questions: Constitution, External Affairs and Culture  
*followed by* Ministerial Statement: Scotland's Vision for Trade – Annual Report  
*followed by* Stage 1 Debate: Miners' Strike (Pardons) (Scotland) Bill  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time  
 Tuesday 19 April 2022  
 2.00 pm Time for Reflection  
*followed by* Parliamentary Bureau Motions  
*followed by* Topical Questions (if selected)  
*followed by* Local Government, Housing and Planning Committee Debate: National Planning Framework 4  
*followed by* Committee Announcements  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time  
*followed by* Members' Business  
 Wednesday 20 April 2022  
 2.00 pm Parliamentary Bureau Motions  
 2.00 pm Portfolio Questions:

Justice and Veterans;  
 Finance and the Economy  
*followed by* Scottish Liberal Democrats Business  
*followed by* Business Motions  
*followed by* Parliamentary Bureau Motions  
*followed by* Approval of SSIs (if required)  
 5.00 pm Decision Time  
*followed by* Members' Business  
 Thursday 21 April 2022  
 11.40 am Parliamentary Bureau Motions  
 11.40 am General Questions  
 12.00 pm First Minister's Questions  
*followed by* Members' Business  
 2.30 pm Parliamentary Bureau Motions  
 2.30 pm Portfolio Questions: Education and Skills  
*followed by* Scottish Government Business  
*followed by* Parliamentary Bureau Motions  
 5.00 pm Decision Time

(b) that, for the purposes of Portfolio Questions in the week beginning 28 March 2022, in rule 13.7.3, after the word "except" the words "to the extent to which the Presiding Officer considers that the questions are on the same or similar subject matter or" are inserted.—[George Adam]

*Motion agreed to.*

## Parliamentary Bureau Motions

17:42

**The Presiding Officer (Alison Johnstone):**

The next item of business is consideration of Parliamentary Bureau motion S6M-03750, on approval of a Scottish statutory instrument.

*Motion moved,*

That the Parliament agrees that the Social Security Up-rating (Scotland) Order 2022 [draft] be approved.—[George Adam]

17:42

**Willie Rennie (North East Fife) (LD):** The instrument will see the Scottish Government raise disability benefits by just 3.1 per cent, in lock step with the Department for Work and Pensions. That is 3 per cent less than the figure for inflation that was announced this morning, and is potentially 5 per cent less than the inflation figure that experts are predicting. That will hit people directly in their pockets.

People with disabilities often have equipment such as electric wheelchairs and mobility scooters that gobble up electricity. With fuel prices soaring, those people face real hardship. The decision will push more people into poverty.

We have called for the United Kingdom Government to raise disability benefits, but it is not good enough for the Scottish National Party and Green Government to say that it has to move with the UK Government on this. People were promised a better system seven years ago. I argued for more powers for the Parliament. All parties supported devolution of social security powers, which are worth £4 billion. However, Scottish ministers continue to ask the DWP to run the system under its agency agreement because the Scottish Government is still not ready. That is a failure, on the Scottish Government's part, to use the full powers of devolution, and it has left people with the DWP for years and years. The result is that for people who are at the sharp end of the cost of living crisis, support is dropping potentially 5 points behind inflation.

I am glad that the Scottish Government is lifting a number of devolved benefits by 6 per cent. I only wish that the Scottish and UK Governments were doing the same for the disability benefits that thousands of people rely on. For that reason, Scottish Liberal Democrats cannot vote in favour of the motion on the instrument.

17:44

**The Minister for Social Security and Local Government (Ben Macpherson):** I am sure that

Mr Rennie will welcome the launch of the first pilot phase of the adult disability payment on Monday, and that he will appreciate the position as we launch that disability benefit after having successfully launched the child disability benefit.

We are also currently undertaking, in a safe and secure way, transfer to Social Security Scotland of cases of people in Scotland who receive disability benefits from the UK Government's Department for Work and Pensions. While that process is being undertaken, we cannot create a two-tier system in which people who are paid by Social Security Scotland are paid more than clients whose cases have not yet been transferred to the Scottish system. That transfer will be undertaken as quickly, but also as safely and securely, as possible.

The order that is under consideration will uprate benefits for which we have executive competence, but which are currently administered on behalf of the Scottish ministers by the DWP under agency agreement, as we undertake safe and secure transfer. Those benefits include the attendance allowance, the disability living allowance, the carers allowance, industrial injuries scheme benefits, the personal independence payment and the severe disablement allowance.

We have no discretion over the level by which we increase those benefits. The agency agreements that are in place with the Secretary of State for Work and Pensions, which allow the DWP to deliver those benefits on behalf of the Scottish ministers, mean that we are committed to uprating them at the same rate at which the DWP uprates them. Therefore, they are being uprated by 3.1 per cent, in line with the September consumer prices index. It is for the Scottish ministers to make an order to effect the uprate—that is the order that is before Parliament today.

As other members were, I was disappointed that the Chancellor of the Exchequer did not take the opportunity to further increase benefits to support people who need it most to deal with rising living costs. In contrast, the Scottish Government is acting to help households. On the Scottish benefits in which we have discretion to go further, we are acting urgently in response to the growing cost of living pressures. We will provide additional support by further increasing several forms of devolved social security benefits and assistance by 6 per cent, rather than by 3.1 per cent, in separate regulations that will go before the Social Justice and Social Security Committee on 31 March.

**The Presiding Officer:** The question on the motion will be put at decision time.

The next item of business is consideration of three more Parliamentary Bureau motions. I ask

George Adam, on behalf of the Parliamentary Bureau, to move motions S6M-03747 to S6M-03749, on approval of Scottish statutory instruments.

*Motions moved,*

That the Parliament agrees that the Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2022 [draft] be approved.

That the Parliament agrees that the Budget (Scotland) Act 2021 Amendment Regulations 2022 [draft] be approved.

That the Parliament agrees that the Non-Domestic Rates (Valuation Roll) (Modification) (Scotland) Regulations 2022 [draft] be approved.—[*George Adam*]

**The Presiding Officer:** The questions on those motions will be put at decision time.

## Decision Time

17:48

**The Presiding Officer (Alison Johnstone):** There are five questions to be put as a result of today's business. The first question is, that amendment S6M-03712.2, in the name of Jenny Gilruth, which seeks to amend motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

There will be a short suspension to allow members to access the digital voting system.

17:48

*Meeting suspended.*

17:52

*On resuming—*

**The Presiding Officer:** We move to the division on amendment S6M-03712.2, in the name of Jenny Gilruth. Members should cast their votes now.

The vote is now closed.

### For

Adam, George (Paisley) (SNP)  
 Adam, Karen (Banffshire and Buchan Coast) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Brown, Siobhian (Ayr) (SNP)  
 Burgess, Ariane (Highlands and Islands) (Green)  
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)  
 Chapman, Maggie (North East Scotland) (Green)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Natalie (Renfrewshire North and West) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dunbar, Jackie (Aberdeen Donside) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Gray, Neil (Airdrie and Shotts) (SNP)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)

Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Gillian (Central Scotland) (Green)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAllan, Màiri (Clydesdale) (SNP)  
 McLennan, Paul (East Lothian) (SNP)  
 McNair, Marie (Clydebank and Milngavie) (SNP)  
 Minto, Jenni (Argyll and Bute) (SNP)  
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)  
 Regan, Ash (Edinburgh Eastern) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Roddick, Emma (Highlands and Islands) (SNP)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Stevenson, Collette (East Kilbride) (SNP)  
 Stewart, Kaukab (Glasgow Kelvin) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Thomson, Michelle (Falkirk East) (SNP)  
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Tweed, Evelyn (Stirling) (SNP)  
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

#### Against

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Choudhury, Foysol (Lothian) (Lab)  
 Clark, Katy (West Scotland) (Lab)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Dowey, Sharon (South Scotland) (Con)  
 Duncan-Glancy, Pam (Glasgow) (Lab)  
 Findlay, Russell (West Scotland) (Con)  
 Gallacher, Meghan (Central Scotland) (Con)  
 Golden, Maurice (North East Scotland) (Con)  
 Gosal, Pam (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Griffin, Mark (Central Scotland) (Lab)  
 Gulhane, Sandesh (Glasgow) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Hoy, Craig (South Scotland) (Con)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Kerr, Stephen (Central Scotland) (Con)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Lumsden, Douglas (North East Scotland) (Con)  
 McArthur, Liam (Orkney Islands) (LD)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mochan, Carol (South Scotland) (Lab)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)

Sarwar, Anas (Glasgow) (Lab)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Sweeney, Paul (Glasgow) (Lab)  
 Villalba, Mercedes (North East Scotland) (Lab)  
 Webber, Sue (Lothian) (Con)  
 Wells, Annie (Glasgow) (Con)  
 White, Tess (North East Scotland) (Con)  
 Whitfield, Martin (South Scotland) (Lab)  
 Wishart, Beatrice (Shetland Islands) (LD)

**The Presiding Officer:** The result of the division on amendment S6M-03712.2, in the name of Jenny Gilruth, which seeks to amend motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries, is: For 62, Against 50, Abstentions 0.

*Amendment agreed to.*

**The Presiding Officer:** The next question is, that amendment S6M-03712.1, in the name of Neil Bibby, which seeks to amend motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Bibby, Neil (West Scotland) (Lab)  
 Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Choudhury, Foysol (Lothian) (Lab)  
 Clark, Katy (West Scotland) (Lab)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Dowey, Sharon (South Scotland) (Con)  
 Duncan-Glancy, Pam (Glasgow) (Lab)  
 Findlay, Russell (West Scotland) (Con)  
 Gallacher, Meghan (Central Scotland) (Con)  
 Golden, Maurice (North East Scotland) (Con)  
 Gosal, Pam (West Scotland) (Con)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Greene, Jamie (West Scotland) (Con)  
 Griffin, Mark (Central Scotland) (Lab)  
 Gulhane, Sandesh (Glasgow) (Con)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Hoy, Craig (South Scotland) (Con)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Kerr, Liam (North East Scotland) (Con)  
 Kerr, Stephen (Central Scotland) (Con)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Lumsden, Douglas (North East Scotland) (Con)  
 McArthur, Liam (Orkney Islands) (LD)  
 McNeill, Pauline (Glasgow) (Lab)  
 Mochan, Carol (South Scotland) (Lab)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)

Sarwar, Anas (Glasgow) (Lab)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Sweeney, Paul (Glasgow) (Lab)  
 Villalba, Mercedes (North East Scotland) (Lab)  
 Webber, Sue (Lothian) (Con)  
 Wells, Annie (Glasgow) (Con)  
 White, Tess (North East Scotland) (Con)  
 Whitfield, Martin (South Scotland) (Lab)  
 Wishart, Beatrice (Shetland Islands) (LD)

#### Against

Adam, George (Paisley) (SNP)  
 Adam, Karen (Banffshire and Buchan Coast) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Brown, Siobhian (Ayr) (SNP)  
 Burgess, Ariane (Highlands and Islands) (Green)  
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)  
 Chapman, Maggie (North East Scotland) (Green)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Natalie (Renfrewshire North and West) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dunbar, Jackie (Aberdeen Donside) (SNP)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Gray, Neil (Airdrie and Shotts) (SNP)  
 Greer, Ross (West Scotland) (Green)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lochhead, Richard (Moray) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Gillian (Central Scotland) (Green)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAllan, Màiri (Clydesdale) (SNP)  
 McLennan, Paul (East Lothian) (SNP)  
 McNair, Marie (Clydebank and Milngavie) (SNP)  
 Minto, Jenni (Argyll and Bute) (SNP)  
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)  
 Regan, Ash (Edinburgh Eastern) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Roddick, Emma (Highlands and Islands) (SNP)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Stevenson, Collette (East Kilbride) (SNP)  
 Stewart, Kaukab (Glasgow Kelvin) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)

Thomson, Michelle (Falkirk East) (SNP)  
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Tweed, Evelyn (Stirling) (SNP)  
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

**The Presiding Officer:** The result of the division on amendment S6M-03712.1, in the name of Neil Bibby, which seeks to amend motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries, is: For 50, Against 62, Abstentions 0.

*Amendment disagreed to.*

**The Presiding Officer:** The next question is, that motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries, as amended, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

Adam, George (Paisley) (SNP)  
 Adam, Karen (Banffshire and Buchan Coast) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Brown, Siobhian (Ayr) (SNP)  
 Burgess, Ariane (Highlands and Islands) (Green)  
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)  
 Chapman, Maggie (North East Scotland) (Green)  
 Choudhury, Foysol (Lothian) (Lab)  
 Clark, Katy (West Scotland) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Natalie (Renfrewshire North and West) (SNP)  
 Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dunbar, Jackie (Aberdeen Donside) (SNP)  
 Duncan-Glancy, Pam (Glasgow) (Lab)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Neil (Airdrie and Shotts) (SNP)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lennon, Monica (Central Scotland) (Lab)

Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Gillian (Central Scotland) (Green)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAllan, Màiri (Clydesdale) (SNP)  
 McNair, Marie (Clydebank and Milngavie) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Minto, Jenni (Argyll and Bute) (SNP)  
 Mochan, Carol (South Scotland) (Lab)  
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)  
 Regan, Ash (Edinburgh Eastern) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Roddick, Emma (Highlands and Islands) (SNP)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Stevenson, Collette (East Kilbride) (SNP)  
 Stewart, Kaukab (Glasgow Kelvin) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sweeney, Paul (Glasgow) (Lab)  
 Thomson, Michelle (Falkirk East) (SNP)  
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Tweed, Evelyn (Stirling) (SNP)  
 Villalba, Mercedes (North East Scotland) (Lab)  
 Whitfield, Martin (South Scotland) (Lab)  
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

#### Against

Briggs, Miles (Lothian) (Con)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 Dowey, Sharon (South Scotland) (Con)  
 Findlay, Russell (West Scotland) (Con)  
 Gallacher, Meghan (Central Scotland) (Con)  
 Golden, Maurice (North East Scotland) (Con)  
 Gosal, Pam (West Scotland) (Con)  
 Greene, Jamie (West Scotland) (Con)  
 Gulhane, Sandesh (Glasgow) (Con)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Hoy, Craig (South Scotland) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Kerr, Stephen (Central Scotland) (Con)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Lumsden, Douglas (North East Scotland) (Con)  
 McArthur, Liam (Orkney Islands) (LD)  
 McLennan, Paul (East Lothian) (SNP)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Rennie, Willie (North East Fife) (LD)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Webber, Sue (Lothian) (Con)  
 Wells, Annie (Glasgow) (Con)  
 White, Tess (North East Scotland) (Con)  
 Wishart, Beatrice (Shetland Islands) (LD)

**The Presiding Officer:** The result of the division on motion S6M-03712, in the name of Graham Simpson, on Scotland's ferries, as amended is: For 79, Against 32, Abstentions 0.

#### *Motion, as amended, agreed to,*

That the Parliament agrees that ferry services provide an essential lifeline to island and remote rural communities and their economies; recognises that, through adverse weather events and COVID-19 causing many cancellations on the Clyde and Hebrides Ferry Services routes, this has been a challenging winter for island residents, businesses and communities; commends the vessel masters for the key role that they are trained to play in ensuring people's and vessels' safety with the decisions that they make about how and when ferries can sail; acknowledges that technical issues causing some vessels to be further laid up have added to people's frustrations and inconvenience; notes that, since 2007, over £2 billion has been invested in service contracts, new vessels and infrastructure and that, in the current five-year period, a further £580 million has been committed, enabling harbour investments, two new vessels for Islay to be built and the purchase of the MV Loch Frisa; further notes the Scottish Government commitment to publish the Islands Connectivity Plan by the end of 2022; welcomes that the Scottish Government saved Ferguson Marine, the last commercial shipyard on the Clyde, from closure, rescuing more than 300 jobs and ensuring that two new ferry vessels will be delivered, while noting the planned revised timetable and costs for completion of these two vessels; condemns the recent actions by P&O Ferries in the strongest possible terms, and makes clear the Scottish Government's support for P&O Ferries employees, and agrees that "fire and rehire" practices should be outlawed and have no place in a fairer, greener Scotland.

**The Presiding Officer:** The next question is, that motion S6M-03750, in the name of George Adam, on approval of a Scottish statutory instrument, be agreed to. Are we agreed?

**Members:** No.

**The Presiding Officer:** There will be a division.

#### For

Adam, George (Paisley) (SNP)  
 Adam, Karen (Banffshire and Buchan Coast) (SNP)  
 Adamson, Clare (Motherwell and Wishaw) (SNP)  
 Allan, Dr Alasdair (Na h-Eileanan an Iar) (SNP)  
 Arthur, Tom (Renfrewshire South) (SNP)  
 Baillie, Jackie (Dumbarton) (Lab)  
 Baker, Claire (Mid Scotland and Fife) (Lab)  
 Beattie, Colin (Midlothian North and Musselburgh) (SNP)  
 Bibby, Neil (West Scotland) (Lab)  
 Briggs, Miles (Lothian) (Con)  
 Brown, Keith (Clackmannanshire and Dunblane) (SNP)  
 Brown, Siobhian (Ayr) (SNP)  
 Burgess, Ariane (Highlands and Islands) (Green)  
 Burnett, Alexander (Aberdeenshire West) (Con)  
 Callaghan, Stephanie (Uddingston and Bellshill) (SNP)  
 Cameron, Donald (Highlands and Islands) (Con)  
 Carlaw, Jackson (Eastwood) (Con)  
 Chapman, Maggie (North East Scotland) (Green)  
 Choudhury, Foysol (Lothian) (Lab)  
 Clark, Katy (West Scotland) (Lab)  
 Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)  
 Constance, Angela (Almond Valley) (SNP)  
 Dey, Graeme (Angus South) (SNP)  
 Don, Natalie (Renfrewshire North and West) (SNP)

Doris, Bob (Glasgow Maryhill and Springburn) (SNP)  
 Dowey, Sharon (South Scotland) (Con)  
 Dunbar, Jackie (Aberdeen Donside) (SNP)  
 Duncan-Glancy, Pam (Glasgow) (Lab)  
 Ewing, Annabelle (Cowdenbeath) (SNP)  
 Ewing, Fergus (Inverness and Nairn) (SNP)  
 Fairlie, Jim (Perthshire South and Kinross-shire) (SNP)  
 Findlay, Russell (West Scotland) (Con)  
 FitzPatrick, Joe (Dundee City West) (SNP)  
 Forbes, Kate (Skye, Lochaber and Badenoch) (SNP)  
 Gallacher, Meghan (Central Scotland) (Con)  
 Gibson, Kenneth (Cunninghame North) (SNP)  
 Gilruth, Jenny (Mid Fife and Glenrothes) (SNP)  
 Golden, Maurice (North East Scotland) (Con)  
 Gosal, Pam (West Scotland) (Con)  
 Gougeon, Mairi (Angus North and Mearns) (SNP)  
 Grahame, Christine (Midlothian South, Tweeddale and Lauderdale) (SNP)  
 Grant, Rhoda (Highlands and Islands) (Lab)  
 Gray, Neil (Airdrie and Shotts) (SNP)  
 Greene, Jamie (West Scotland) (Con)  
 Greer, Ross (West Scotland) (Green)  
 Griffin, Mark (Central Scotland) (Lab)  
 Gulhane, Sandesh (Glasgow) (Con)  
 Hamilton, Rachael (Ettrick, Roxburgh and Berwickshire) (Con)  
 Harper, Emma (South Scotland) (SNP)  
 Harvie, Patrick (Glasgow) (Green)  
 Haughey, Clare (Rutherglen) (SNP)  
 Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)  
 Hoy, Craig (South Scotland) (Con)  
 Hyslop, Fiona (Linlithgow) (SNP)  
 Johnson, Daniel (Edinburgh Southern) (Lab)  
 Halcro Johnston, Jamie (Highlands and Islands) (Con)  
 Kerr, Liam (North East Scotland) (Con)  
 Kerr, Stephen (Central Scotland) (Con)  
 Kidd, Bill (Glasgow Anniesland) (SNP)  
 Lennon, Monica (Central Scotland) (Lab)  
 Leonard, Richard (Central Scotland) (Lab)  
 Lochhead, Richard (Moray) (SNP)  
 Lockhart, Dean (Mid Scotland and Fife) (Con)  
 Lumsden, Douglas (North East Scotland) (Con)  
 MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
 MacGregor, Fulton (Coatbridge and Chryston) (SNP)  
 Mackay, Gillian (Central Scotland) (Green)  
 Mackay, Rona (Strathkelvin and Bearsden) (SNP)  
 Macpherson, Ben (Edinburgh Northern and Leith) (SNP)  
 Maguire, Ruth (Cunninghame South) (SNP)  
 Martin, Gillian (Aberdeenshire East) (SNP)  
 Mason, John (Glasgow Shettleston) (SNP)  
 Matheson, Michael (Falkirk West) (SNP)  
 McAllan, Màiri (Clydesdale) (SNP)  
 McLennan, Paul (East Lothian) (SNP)  
 McNair, Marie (Clydebank and Milngavie) (SNP)  
 McNeill, Pauline (Glasgow) (Lab)  
 Minto, Jenni (Argyll and Bute) (SNP)  
 Mochan, Carol (South Scotland) (Lab)  
 Mountain, Edward (Highlands and Islands) (Con)  
 Mundell, Oliver (Dumfriesshire) (Con)  
 Nicoll, Audrey (Aberdeen South and North Kincardine) (SNP)  
 Regan, Ash (Edinburgh Eastern) (SNP)  
 Robison, Shona (Dundee City East) (SNP)  
 Roddick, Emma (Highlands and Islands) (SNP)  
 Ross, Douglas (Highlands and Islands) (Con)  
 Rowley, Alex (Mid Scotland and Fife) (Lab)  
 Ruskell, Mark (Mid Scotland and Fife) (Green)  
 Sarwar, Anas (Glasgow) (Lab)  
 Simpson, Graham (Central Scotland) (Con)  
 Smith, Liz (Mid Scotland and Fife) (Con)  
 Smyth, Colin (South Scotland) (Lab)  
 Stevenson, Collette (East Kilbride) (SNP)

Stewart, Alexander (Mid Scotland and Fife) (Con)  
 Stewart, Kaukab (Glasgow Kelvin) (SNP)  
 Stewart, Kevin (Aberdeen Central) (SNP)  
 Sweeney, Paul (Glasgow) (Lab)  
 Thomson, Michelle (Falkirk East) (SNP)  
 Todd, Maree (Caithness, Sutherland and Ross) (SNP)  
 Torrance, David (Kirkcaldy) (SNP)  
 Tweed, Evelyn (Stirling) (SNP)  
 Villalba, Mercedes (North East Scotland) (Lab)  
 Webber, Sue (Lothian) (Con)  
 Wells, Annie (Glasgow) (Con)  
 White, Tess (North East Scotland) (Con)  
 Whitfield, Martin (South Scotland) (Lab)  
 Whitham, Elena (Carrick, Cumnock and Doon Valley) (SNP)  
 Yousaf, Humza (Glasgow Pollok) (SNP)

#### Abstentions

Cole-Hamilton, Alex (Edinburgh Western) (LD)  
 McArthur, Liam (Orkney Islands) (LD)  
 Rennie, Willie (North East Fife) (LD)  
 Wishart, Beatrice (Shetland Islands) (LD)

**The Presiding Officer:** The result of the division is: For 108, Against 0, Abstentions 4.

#### *Motion agreed to,*

That the Parliament agrees that the Social Security Up-rating (Scotland) Order 2022 [draft] be approved.

**The Presiding Officer:** I propose to put a single question on three Parliamentary Bureau motions, if no member objects.

The final question is, that motions S6M-03747 to S6M-03749, be agreed to.

#### *Motions agreed to,*

That the Parliament agrees that the Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2022 [draft] be approved.

That the Parliament agrees that the Budget (Scotland) Act 2021 Amendment Regulations 2022 [draft] be approved.

That the Parliament agrees that the Non-Domestic Rates (Valuation Roll) (Modification) (Scotland) Regulations 2022 [draft] be approved.

**The Presiding Officer:** That concludes decision time.

## Colleges (Industrial Relations)

**The Deputy Presiding Officer (Annabelle Ewing):** The final item of business is a members' business debate on motion S6M-03609, in the name of Ross Greer, on industrial relations in the college sector. The debate will be concluded without any question being put.

### *Motion debated,*

That the Parliament is concerned by the record of industrial relations in the college sector over the last decade; understands that nationwide industrial action by lecturers has taken place in six of the last eight years, largely due to the perceived failure to implement previous agreements on pay, conditions and status; further understands that one such example of industrial action was the "fire and rehire" incident at Forth Valley College in 2021, which, it believes, became the catalyst for a national strike and resulted in the affected lecturers being reinstated to their previous positions; notes with regret reports that the nationally agreed disputes resolution process is not yet in place at all colleges; believes that staff feel their extensive efforts to support students throughout the COVID-19 pandemic have not been recognised and that this, in combination with frustration over pay awards to senior management, has left many feeling demotivated; recognises what it sees as the pivotal role played by college teaching and support staff throughout the pandemic, and believes that colleges, including those in the West of Scotland, have a critical role to play in Scotland's economic recovery from COVID-19, efforts to tackle the climate emergency, and the eradication of child poverty.

18:04

**Ross Greer (West Scotland) (Green):** I thank Labour and Green colleagues, whose support for my motion secured the debate, and the Educational Institute of Scotland—Further Education Lecturers Association, which collaborated on its drafting.

I make no secret of the fact that I am a supporter of EIS-FELA. I was a trade unionist before I was elected to Parliament, and I will still be one long after I leave. I am aware that college management are not pleased with the tone of the motion and some of the specific points that it makes; I will address those points in more detail later.

I start by providing some context for my bringing the motion to Parliament. We are now a decade on from the regionalisation of Scotland's colleges. The Greens did not support that process, but we recognise that some good has come from it. Nonetheless, this is an appropriate point at which to take stock and acknowledge what has not worked.

Our colleges have seen industrial action in six of the past eight years, and there is currently an on-going ballot of lecturers, which might well lead to further strike action. Regardless of the position that members took on any one of those strikes or

their views on industrial action as a whole, I think that we can all acknowledge that something is obviously wrong when there is consistent unrest in the sector year after year.

That is a point on which unions and management agree, albeit that they have an understandable disagreement with regard to how the situation has regularly escalated that far. The issue has not had nearly enough parliamentary scrutiny, so I am glad that the Education, Children and Young People Committee has agreed to my request that we hold an inquiry. I hope that this debate will be an opportunity to air some of the issues, which can then be explored in more detail through that process.

National collective bargaining in the sector has certainly been a positive development. The power imbalance in industrial relations is, by default, in favour of the employer, and it is only through collective organising that workers can even that out. Too many sectors of our economy no longer have, or have never had, effective collective bargaining arrangements in place, and I am glad that the Scottish Government's national strategy for economic transformation reflects the Greens' manifesto proposals to expand collective bargaining into more industries.

College management are absolutely right to point out that Scotland's lecturers have the best pay and conditions anywhere in the United Kingdom. We should all be proud of that—it is a striking example of what a well-organised workforce can achieve, and it is certainly hard to imagine that that would have been the case without militant trade unionism. EIS-FELA should not be made to feel embarrassed about that; it should be congratulated on consistently delivering on behalf of its members.

I do not intend the debate to be a deep dive into the rights and wrongs of each individual dispute across the past decade, but it is worth pointing out that the first pay agreement that was reached by the National Joint Negotiation Committee was the subject of an employment tribunal when management refused to make the payments in full. The tribunal upheld the union's position. Subsequent disputes were, again, the result of failures to honour the deals that were reached at the NJNC.

I played my role in that near-yearly routine, meeting both the union and management. My meetings with Colleges Scotland have always been completely candid and useful, but one consistent theme has emerged: a dispute over what the agreed deals have actually meant in practice. Management's position has generally been that they have, in fact, honoured the deal in so far as they understood it, and that the union's understanding was incorrect.

I have clearly and firmly supported the union's position over the years, but the dispute over what was agreed has led me to make a proposal that I know neither college management nor my friends in the EIS are enthusiastic about. The NJNC is a bilateral negotiations body. I would like serious consideration to be given to the presence of a Scottish Government or other independent observer in future sessions. I recognise that that proposal has drawbacks of its own, but we need to do something to break out of the cycle.

Fire-and-rehire practices in the sector must also be stamped out. The 18-month dispute at Forth Valley College was caused by an attempt to replace lecturer posts with course instructor posts. Referring back to the point that Colleges Scotland has fairly made on a regular basis, I reiterate that our lecturers have comparatively high pay and conditions, so replacing those posts with course instructors with poorer pay and conditions, while offering staff the choice between such a downgrade and redundancy, is the absolute definition of fire and rehire. That is not to cast aspersions on the ability of course instructors, who do an excellent job in colleges across the country, but any profession that was being undermined in that way would be absolutely justified in resisting such a move.

When fire-and-rehire disputes resulted in referral to the NJNC, agreement was reached that those posts were indeed for lecturers, not course instructors, and the decision was reversed. That is an example of a trade union doing exactly what it is for: protecting its members' interests.

Colleges Scotland contends that there is no national practice of fire and rehire in the sector, and I do not claim that there is a systematic plan in place, but that was not an isolated incident. There are live disputes at West Lothian College and Fife College on exactly that issue right now.

One really useful outcome of that dispute was clearer agreement on a future dispute resolution mechanism. Every college should have a locally agreed dispute resolution process with its EIS branch, and issues that are not resolved at that level should be referred up to the NJNC. However, a number of colleges still do not have a local process in place. I know that the reasons for that are complex. Unison, the largest union representing course instructors, is keen to have a role in processes that involve that role, and—as far as I understand it—each union and management have distinct positions that have not yet been reconciled. I hope that the Scottish Government can encourage renewed effort in that area. Given the frequency of industrial action in the sector, ensuring that every college has in place a clear resolution process seems like an essential step.

It would be remiss of me to bring up fire-and-rehire practices without offering the Scottish Green Party's solidarity to the National Union of Rail, Maritime and Transport Workers—the RMT—and Nautilus International members who are fighting for their jobs at P&O Ferries. The college sector might have its problems, but for a company to employ thugs armed with handcuffs to force its own staff off its ships after sacking them at a moment's notice is utterly shameful.

I am glad that the Scottish Government is reviewing its contracts with P&O. It is clear that a company that is willing to do that to its own workers, and to then replace them with workers on a pitiful wage of £1.80 an hour, is utterly unfit to run essential services—never mind that not being compatible with the Scottish Government's fair work practices. On that point, I refer members to my entry in the register of members' interests in relation to the RMT.

I am conscious of time, and there are a number of other issues that I have not touched on. I certainly do not have time to do justice to the ongoing pay dispute, but I highlight that management have not yet offered the EIS a new date for further negotiations. They might be waiting for the result of the ballot, but I urge them not to wait. No one wants industrial action, and a new date should be set as soon as possible so that negotiations can resume.

My motion and speech have focused largely on the issues facing lecturers, but I know that support staff face a range of challenges of their own, some of which, I hope, will be touched on by other members. Nevertheless, I ask the Minister for Higher Education and Further Education, Youth Employment and Training whether the Scottish Government could explore whether further fair work conditions could be attached to Scottish Funding Council packages for colleges, with the intention of benefiting the lowest-paid staff in particular.

The situation at Scotland's Rural College is another that should be revisited. A pay and grading review was agreed a long time ago and is now long overdue. SRUC lecturers' pay and conditions are markedly worse than those of their colleagues in either the further education or higher education sectors. Yet again, the situation has dragged on for so long without a resolution that further industrial action is a distinct possibility.

I also extend the Greens' support to University and College Union Scotland members in the university sector, who are once again out on strike in response to the shocking attack on their pensions, on top of sustained erosion of their pay and conditions. A typical Universities Superannuation Scheme pension fund member now faces a 35 per cent cut to their pension and,

in many ways, employment practices in the university sector are far worse than those in colleges. Zero-hours contracts and low wages are certainly more prevalent.

Scotland's colleges have so much to offer. They are a driving force of our economy, and they are essential to our climate ambitions, as they train the joiners, electricians, heating engineers, forestry workers, mechanics and so many others who will deliver the transition away from a fossil fuel based economy. They are key to our shared mission of eradicating child poverty, as they are often where the most marginalised people can access life-changing education. They have played an incredible and often underappreciated role in allowing many young Scots to see beyond the UK's border through the Erasmus+ scheme, before that was cruelly taken away by Brexit.

My purpose in bringing the debate to the chamber is not to paint an entirely negative picture of our colleges. There is so much to be proud of, and so much that can still be achieved, but all of it is dependent on college staff. There are clear deep-rooted problems in the relationship between staff and management across the sector—problems that, I believe, Parliament and Government have a role in resolving.

I am grateful to Colleges Scotland for its input; to EIS-FELA, as always, for its collaboration; to all members who will contribute to the debate; and to the minister for responding on behalf of the Government. I believe that broad consensus can be found in this area—we just need to be brave enough to take the difficult steps towards it.

18:12

**Stephen Kerr (Central Scotland) (Con):** I thank Ross Greer for bringing the debate to the chamber, and—if I may put on the persona of convener of the Education, Children and Young People Committee—I pay tribute to, and thank, him for his many insightful contributions to the work of the committee. He is appreciated by all of us who serve on it.

I will also comment on the principal of Forth Valley College, which Ross Greer mentioned in passing. In my dealings with Professor Ken Thomson, I have rarely met a more inspirational educationist. He is an innovator and he brings great energy and vision to everything that he does. We are the beneficiaries of the service that he gives as the principal of Forth Valley College.

We should make no mistake about it: this is a difficult time to be a young person in Scotland. Having spent the past two years of their education pretty much in limbo, young people across the country are uncertain about what will happen day

to day, never mind month to month or even year to year.

The problems that we face in higher education in Scotland were here long before the Covid-19 pandemic, but it has served to magnify and highlight those issues. It is right to point out that the restrictions that were imposed in response to the pandemic have created further issues, and it is in that context that we must view the present industrial discontent in both colleges and universities. It is not, in my opinion, for the Government to dictate to unions or management what should happen. What we should do today is remind the lecturers and the principals of the effect that they are having on our young people.

One of my constituents who is at a further education college told me that he had to wait an entire month for results and feedback on a critical assessment that determined his grade. He could not plan for imminent examinations, get a sense of where he was or plan ahead. That left him feeling isolated, alone and fearful for his future. That was all because of the industrial action. Another of my constituents, who had no knowledge of whether she would sit exams until a week and a half before she was due to sit them, felt that she had been left hanging, felt that she had been ignored and felt stressed out. All of that was also on account of the industrial action.

Students are left not knowing whether they will get into university or whether they can get the job that they want. That needs to end. To be frank, the rights and wrongs of the industrial action are secondary to the need to serve our young people first. I do not doubt the intentions of the lecturers or, indeed, the principals or that they have a sincere desire to serve students' best interests, but they must redouble their efforts to reach agreement.

We must put the dispute behind us. Every principal and striking lecturer must be able to look themselves in the mirror and say that they have done everything that they can to reach an agreement. I say to them—I hope that we can all agree on this—that we want our students to be educated and treated with the respect that they deserve. Their future is at stake. Someone should speak up for students in the debate, and they should be more prominent in it than they have been until now. We owe it to them after what we have put them through over the past two years.

18:16

**Katy Clark (West Scotland) (Lab):** It is a pleasure to congratulate Ross Greer on securing the debate and on his motion, which highlights the record of industrial relations in the college sector over the past decade. In particular, it highlights the

fact that there has been strike action in six out of the past eight years. Most of us will be aware of specific disputes in colleges in the areas that we represent. Even over the past few days, I have been consulted by staff in Ayrshire College, who are concerned about the draft budget, which has a £51.9 million cut and will have massive consequences for the workforce there.

Stephen Kerr is correct to put on record the pressure that students have been under during Covid. Of course, they will also be affected by industrial action. Many people who work in the college sector are very aware of that, so it is a difficult decision for them to take industrial action. It shows that industrial relations in the sector have deteriorated and that the Scottish Government needs to intervene to repair the relationships between Colleges Scotland and trade unionists. The issues have to be viewed in the wider context, and there can be absolutely no doubt that the level of cuts that colleges face has been a factor in the situation.

If we compare the treatment of colleges and college students to what happens in other parts of the education sector, we see a dramatic contrast. More than £8,000 is spent each year per secondary school student. The figure is more than £7,000 per pre-school child, more than £6,000 for primary school students, just under £6,000 for university students and just over £4,000 for college students. We know the class nature of college students and that, historically, working-class communities have looked to colleges, as have some of the trades and sectors that we need for our society and economy to survive. Whether it is building trades, beauty or hairdressing, they are many of the service industries to which working-class people look.

Since 2014, the college sector has been subjected to numerous industrial disputes. The grievances have been on issues such as equal pay, common conditions of service, transfer to permanent status for staff who are on insecure contracts, annual pay agreements, fire and rehire, which has been referred to, and disciplinary and grievance procedures and policies. It is clear that there are significant cultural issues in the sector, given that industrial relations are in such a dire condition.

I first became an elected representative in 2005, and I recall at that time being approached about issues at what is now Ayrshire College at Kilwinning. Although the issues then were different, the recurring theme is that the whole sector has been subjected to a backdrop of poor industrial relations.

We know that the EIS-Further Education Lecturers Association is in dispute, and that Unison has lodged a formal dispute with colleges.

We also know that 92 per cent of college workers rejected the pay offer. As Ross Greer said, UCU members are in dispute as a result of a 35 per cent cut to pensions and a 25.5 per cent real-terms cut to their pay since 2009.

I thank Ross Greer for raising the issues, and I hope that the Scottish Government will actively engage with them.

18:20

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** I thank Ross Greer for bringing the debate to Parliament. Colleges are central to promoting the skills and social mobility across our communities that are needed for Scotland to thrive into the future, not least as we come out of a global pandemic. They are essential to the partnerships that schools have with the wider community, as well as being providers of courses that fit directly into apprenticeships and careers.

Neither the Parliament nor the Scottish Government is the employer here, and they are not parties in the dispute that is under way. Therefore, it is up to the colleges as employers, and the unions that represent their workforces, to reach a settlement, and it is for them to do so voluntarily and collaboratively. I hope that we can agree that both sides now need to employ all their efforts to that end, in the interests of students, staff and colleges alike. The Scottish Government is clear that support staff and lecturing staff are equally valuable in our colleges, and, again, I hope that that fact is recognised across the chamber.

As a Parliament, I hope that we can also be clear that the practice of fire and rehire is appalling and that no college should use it or attempt to justify it. Employment and trades union law remain reserved to the UK Government, and some parties here argued for that to remain the case in the course of the Smith commission. However, that does not prevent the Parliament from working with unions to highlight that fire and rehire is a practice that cannot be allowed to continue.

I believe that the Scottish Government is making its view on that clear, but it is now time for the UK Government, where the legislative powers lie, to ban the practice entirely, just as it should learn from the experience of the pandemic and all its economic consequences by legislating to protect workers' rights more broadly.

**Katy Clark:** I fully concur with the member's points about what the UK Government should do, but does he not accept that, in the college sector, it is a matter of policy from the Scottish Government?

**Dr Allan:** As I said, the colleges are the employer, but my point about fire and rehire is that

it is an example of weakness in UK employment law, which is a point that other members have made. If I can go off on a relevant tangent, I also hope that employment law will not be found to be similarly weak when the workforce of P&O Ferries comes to challenge its atrocious treatment in recent days.

The Parliament has a role in pressing the UK Government to legislate to fix the gaps that exist in the UK's employment law and that seemingly allow a college to fire and rehire people. We should keep making that point until either we have action on that front from the UK Government or the relevant powers to address the matter come to this Parliament.

I hope that everyone recognises that any settlement has to be affordable to the Scottish Government, but I believe that the ball is now firmly in the colleges' court. I urge the employers to return to the negotiating table as a matter of urgency in order to resolve a dispute that is in nobody's interests, least of all those of students. Their experience of learning and wider student life has already been affected by the unavoidable consequences of a global pandemic. I believe that one way in which employers can show good faith in the negotiations is if colleges take an unequivocal stance now against fire and rehire as a working practice.

18:24

**Martin Whitfield (South Scotland) (Lab):** It is a pleasure to take part in this members' business debate. I extend my congratulations to Ross Greer on securing it and on the cross-party support that has made it possible.

Our college sector is very important. I thank the college lecturers and management, but most of all the students, who have put up with a huge amount in the Covid pandemic over the past two years.

Before the Covid pandemic, colleges were places that managed to shelter children who found school too difficult, too horrible or not to their liking. College lecturers stepped out of their way to make those people in their early adult life welcome and to say that education was possible for them—perhaps not in the way that they had experienced it at school, but in a different way. I think of the college lecturers who went above and beyond that and formed courses that were almost specifically designed for individuals who were challenged by the sort of learning that schools seemed to put out. The flexibility and imagination and, above all, the care that college lecturers and, indeed, the support staff around them showed to young people show their merit.

They went into Covid, with the challenges of lockdown and of reaching out to young people

who were often unable to join in using information technology or other technology, and were maybe limited to making a phone call or sometimes even to letters, and they kept those young people interested in their futures. That speaks highly of a well-motivated, highly experienced and incredibly valuable group of professionals.

The motion is about the challenges with industrial relations, which also predate Covid. In this debate, we should be looking to the heart of that to try to end the appalling industrial relations between the trade unions and the colleges. An individual does not lightly choose to vote to take industrial action and to move that industrial action to the point of a strike—no worker does that with any enthusiasm whatsoever. However, college lecturers and workers have been put under emotional stress, and they have reached that stage in different geographical areas and different employment disputes. That speaks volumes about an attitudinal difference and problem between the colleges and their staff.

It is for the Scottish Government to step in to facilitate a rebuilding of those industrial relations. I will give one simple example that would help. Why can there not be proper facility time for full-time trade unionists and trade union representatives so that they are paid to deal with their trade union points of order and so that industrial disputes could perhaps be avoided by simple discussion at college level? That exists in many areas of our economy, but it does not appear in the college sector. That is a simple step—it will cost money, but it might prevent children from giving up on their further education.

In the short time that I have left, I want to discuss the budget and the flat-cash position this year. Members from across the chamber have talked about the importance of that issue. Young people go into schools that have been rebuilt, and people go to universities that are among the finest architectural establishments in Scotland, but our college estate has been abandoned and left behind. The young people who go to our college estate reflect on their value when they see how society wants them to be educated.

We are at a crossroads at which we can see an opportunity for a glorious future for our college sector, which is important. It is important to the lecturers and the colleges but, most of all, it is important to the young people of Scotland.

18:29

**The Minister for Higher Education and Further Education, Youth Employment and Training (Jamie Hepburn):** I join other members in thanking Ross Greer for bringing forward the debate, and I thank the members who have

contributed to it. The issues that have been raised are important, and the Parliament should be prepared to debate them.

First, I echo the comments that Martin Whitfield made. I have made such comments before, but I take the opportunity to do so again, because we cannot emphasise enough the gratitude that we should all have for the contribution that our college teaching and support staff have made to the sector throughout the pandemic. It has been an extraordinarily difficult period for our institutions, and they have managed to continue to deliver in difficult circumstances for students over the length and breadth of the country, by pivoting the way in which they deliver. We are all grateful for their efforts.

As we emerge from the pandemic and look forward, our tertiary education institutions will have a critical role in rebuilding our economy and society. They will be instrumental in any economic recovery strategy, working with our business base, their local communities and local people, and fulfilling their civic roles as local anchor institutions.

Katy Clark and Martin Whitfield talked about the budget settlement. I will briefly reflect on where we are. I understand that the circumstances in which we find ourselves are challenging for colleges. However, we have to recognise that the budget that we have provided comes against the backdrop of a Scottish Government budget about which the Scottish Fiscal Commission, independently of Government, has said to the Parliament's Finance and Public Administration Committee that it is a 5.2 per cent cut in real terms to the Scottish Government's budgetary leeway.

We should be clear that the settlement for the tertiary education sector does not follow that trajectory. However, we should not pretend that we are in anything other than difficult circumstances.

**Stephen Kerr:** What the minister has said relates to the Covid recovery moneys that were given to the Scottish Government. In fact, it is the largest increase in the block grant that the Scottish Government has had in the devolution era. It is important to get straight the facts of the matter.

**Jamie Hepburn:** I have referred to the facts of the matter. The Scottish Fiscal Commission has said that, in the coming financial year, compared to the one that is just ending, we have, in real terms, 5.2 per cent less to expend. However, I do not want to get too caught up in that, because that is not the fundamental purpose of the debate. I mentioned it just by way of context because the budget was mentioned.

The challenge for us now is how to work collectively to ensure that colleges are well placed

to respond to the circumstances that we are in. That is my commitment. I have been meeting the Scottish Funding Council, Colleges Scotland, college principals and, of course, our trade unions. In recognition of the point that Dr Allan made, I say that I recognise the equal importance of the support staff and the lecturers. I am meeting not just EIS-FELA on those matters but Unison, Unite and GMB, and we are having the discussion about how we make sure that colleges are well placed to respond to the challenges and opportunities that are ahead.

I share the understandable concerns that have been raised about the frequency of industrial action. It is undeniable that that has been the experience over the past few years. Dr Allan was correct in saying that, fundamentally, its resolution is for the college management and unions, but I do not shirk the Scottish Government's role in such matters.

Katy Clark expressed the hope that we will be actively involved; I hope that I have demonstrated the extent to which we are in dialogue with the sector. Martin Whitfield referred to there being such a role, and we take that seriously. Following previous industrial action, my predecessor, Richard Lochhead, committed to a lessons-learned exercise. As with many things, that was disrupted to a degree by Covid-19, but Scottish Government officials have had discussions with the employers' association and trade unions. A final summary report on lessons learned will be published, and advice will be provided to ministers in due course.

**Martin Whitfield:** What are the minister's comments on Ross Greer's proposal that the Scottish Government should take a seat at the negotiating table?

**Jamie Hepburn:** That would fundamentally alter the nature of the process. It is not usual for the Scottish Government to seek to become involved in every negotiation process across the labour market. I referred to the lessons-learned exercise that is under way. That will make recommendations that will inform what we might do in the future. I will not presuppose what that will say.

Forth Valley College is mentioned specifically in the motion and has been referred to during the debate. I do not always agree with Mr Kerr. I think that he should speak in his persona as convener of the Education, Children and Young People Committee more often, rather than whatever other persona he speaks from. I regularly meet Ken Thomson and I find him to be forward thinking. He is trying to lead a college that is fundamentally responsive to the needs of the community that it serves.

It is undeniable that there have been challenges with industrial relations at that institution. There was an issue with the utilisation of assessors and instructors to replace lecturing roles. It is important to say first that we should not dismiss the importance of the people who work in colleges as assessors and instructors. That is a long-standing practice. They play a valuable role.

The specific circumstance was, however, one in which there was a suggestion that people should transition from one role to the other and there was then industrial action. I expect and hope that agreement can be reached. If agreement cannot be reached, there should be some form of arbitration mechanism. That is precisely what we have in the National Joint Negotiating Committee circular. We have that mechanism and it was utilised in the specific instance of Forth Valley. It resulted in agreement with the union position and resolution of the issue. It was a clear statement that what happened there was not intended to be national policy.

Time is against me. I would like to have said more. Having been the fair work minister in the previous session of Parliament, I think that fair work is important across the entirety of our labour market. Our college sector should be no different. I assure members that I will do everything I can to ensure that fair work and harmonious industrial relations are features of our college sector.

**The Deputy Presiding Officer:** That concludes the debate.

*Meeting closed at 18:37.*



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