



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Net Zero, Energy and Transport Committee

**Tuesday 7 October 2025**

**Session 6**



The Scottish Parliament  
Pàrlamaid na h-Alba



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**Tuesday 7 October 2025**

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**NET ZERO, ENERGY AND TRANSPORT COMMITTEE**  
**30<sup>th</sup> Meeting 2025, Session 6**

**CONVENER**

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

**DEPUTY CONVENER**

\*Michael Matheson (Falkirk West) (SNP)

**COMMITTEE MEMBERS**

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

\*Monica Lennon (Central Scotland) (Lab)

\*Douglas Lumsden (North East Scotland) (Con)

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

\*Kevin Stewart (Aberdeen Central) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Sarah Boyack (Lothian) (Lab) (Committee Substitute)

Fiona Brown (Transport Scotland)

Fiona Hyslop (Cabinet Secretary for Transport)

Bill Reeve (Transport Scotland)

Chris Wilcock (Transport Scotland)

**CLERK TO THE COMMITTEE**

Peter McGrath

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Net Zero, Energy and Transport Committee

*Tuesday 7 October 2025*

*[The Convener opened the meeting at 09:17]*

### Decisions on Taking Business in Private

**The Convener (Edward Mountain):** Good morning, and welcome to the 30th meeting in 2025 of the Net Zero, Energy and Transport Committee. Our first item of business is decisions on whether to take items 5, 6 and 7 in private. Item 5 is consideration of the evidence that we will hear today on transport; item 6 is consideration of the committee's work programme; and item 7 is consideration of our approach to the stage 1 scrutiny of the Ecocide (Scotland) Bill.

To ensure that we carefully adhere to the Parliament's standing orders, I will split this into two questions. First, I will ask whether we are agreed to take items 5 and 6 in private, and then I will ask whether we are agreed to take item 7 in private, noting that Monica Lennon may not participate in that decision, purely because she is the member who is in charge of that bill. I will not quote the relevant rule, but I am sure that members have all looked it up, as I have. I hope that that is all clear.

Are we agreed to take items 5 and 6 in private?

**Members indicated agreement.**

**The Convener:** With Monica Lennon recusing herself from the following decision, are we also agreed to take item 7 in private?

**Members indicated agreement.**

## Transport Policies and Performance

09:18

**The Convener:** Our second item of business is an evidence session with the Scottish Government on its transport policies and performance. This is an opportunity for the committee to pick up on the themes that the committee has discussed with bus, train and ferry stakeholders in meetings earlier this year and on visits. There are also other issues within the cabinet secretary's wide-ranging remit that we may wish to discuss this morning. Those include the decarbonisation of the sector, which is an issue that the committee will return to later this year when it takes evidence on the transport chapter of the forthcoming climate change plan.

I welcome Fiona Hyslop, the Cabinet Secretary for Transport. From Transport Scotland, we have Fiona Brown, director of transport strategy and analysis; Chris Wilcock, director of ferries and ports, and Bill Reeve; director of rail reform. Thank you all for attending.

I invite the cabinet secretary to make some short opening remarks. I try that every time and, one day, I will get my wish.

**The Cabinet Secretary for Transport (Fiona Hyslop):** I always oblige, convener.

I thank you and the committee for inviting me to the meeting. I have tried to keep the committee informed by regular correspondence on various significant developments. In these brief opening remarks, I will set out some of the Scottish Government's key achievements.

The national transport strategy's vision and priorities remain central to policy and decision making for the Scottish Government, as well as the focus of our regional transport partnerships and a wide range of organisations. We need that to continue, as that collaborative approach is key to delivering public transport provision for the people of Scotland and helping them to access services, education, employment and leisure in a more sustainable way.

Encouraging people to use public transport is fundamental to our vision. To support that, a number of commitments have been delivered, and there have been developments to improve connectivity, accessibility and affordability. I would like to highlight some of those. We have introduced free interisland ferry travel for young people and expanded the concessionary ferry voucher scheme to include islanders aged 19 to 21. The free rail travel pilot for companions for blind people has also been introduced, and we are

working to launch the pilot scheme for free bus travel for people seeking asylum, as well as a bus fare cap that is to be trialled in one of our regions.

As members well know, peak fares have been abolished across ScotRail services, and we have opened new rail stations at Hairmyres and East Kilbride, with the wider East Kilbride enhancement project set to deliver electrification by the end of the year.

There have been a number of port infrastructure improvements supporting resilience for our communities. The strategic approach to the islands connectivity plan and the vessels and ports plan for the Clyde and Hebrides and northern isles networks were published in May, and the direct award of the Clyde and Hebrides ferry contract to CalMac Ferries was delivered last week. The new arrangements will see almost £4 billion of public funding investment over 10 years, moving from a commercial arrangement to a model that is fully focused on delivering a public service for the communities that depend on those ferry services.

Work is also on-going to prepare and develop the northern isles ferry service 4 contract, with services to be procured by 30 June 2028. Following her recent successful sea trials, the MV Isle of Islay will be handed over to Caledonian Maritime Assets Ltd by November, and I look forward to seeing her service on the Kennacraig to Islay route.

On major projects, the £152.7 million construction contract was awarded for the fourth section of the A9 dualling programme, which is between Tay crossing and Ballinluig. We have published the A96 corridor review report and consultation, and we have engaged with local communities on resilience work that is on-going for the A83, as work has continued on the short, medium and long-term solutions.

One of my main concerns has been safety on our roads. Through the road safety improvement fund, £10 million has been allocated to councils for initiatives that address safety concerns across the local road network.

On bus and accessible travel, we have invested further in zero-emission buses. We have recently awarded more than £26 million for active travel infrastructure and construction projects across Scotland; established a working group to tackle antisocial behaviour; and welcomed two major bus operators to the national smart ticketing advisory board. We have announced £4.5 million of funding for rural and island electric vehicle charging, and launched the cross-pavement charging grant pilot programme. Further, £20 million is being provided to encourage and enable more households and businesses with lower incomes to purchase electric vehicles.

We have also established the heavy goods vehicle market readiness fund to provide £2 million to support collaboration to identify investment in HGV decarbonisation.

We have published our aviation statement, which outlines the specific actions that we will take to encourage decarbonisation and increase international connectivity.

As you will be aware, we face many challenges across all modes. We continue to work together with partners to take forward a range of vital steps to address those challenges and deliver our commitments.

Finally, earlier this year, we published our report “Connecting Scotland—The Value of Transport”, which provides a broad framework for understanding and illustrating how transport contributes to Scotland’s growing economy. That is a useful resource for decision makers, both locally and nationally, to draw on.

I understand that the committee is eager to explore many of those issues and others. I look forward to answering members’ questions.

**The Convener:** Thank you, cabinet secretary. I should point out that Mark Ruskell will be joining us for questions but is held up due to transport issues. I am sure that you will not be delighted to hear that, cabinet secretary.

**Monica Lennon (Central Scotland) (Lab):** That was a helpful opening statement, cabinet secretary. It is good to hear about some positive measures, and it was nice to see you in Hairmyres recently at the new station.

You mentioned the abolition of peak fares and the expansion of concessionary travel, which I welcome. It has been five years since the publication of national transport strategy 2, the clear aim of which was to tackle inequality, reduce emissions and drive economic growth. Can you say a word or two about how successful its implementation has been? Bus and train use has gone down over those five years, and there has been no significant rise in walking and cycling. You mentioned safety, but the number of fatalities on our roads has remained largely static for the past few years. How successful is NTS2?

**Fiona Hyslop:** National transport strategy 2 was launched by one of my predecessors—I acknowledge Mr Matheson at this point. It is an important document that brings the sector together. We had a transport summit recently, with a focus on the value of transport document that I just referred to. What was quite striking and remarkable was the number of people from across the sector—operators, regional transport authorities and local authorities—who said that NTS2 pulls everything together and gives

everybody guidance on what they need to produce. There are individual projects in NTS2, but Ms Lennon outlined, quite correctly, the general approach.

On bus and train, we are seeing an increase in uptake. That five-year period covers the Covid pandemic period, and some modes have returned more rapidly than others. I think that train came back more quickly than bus. Bus had been a problem, particularly for older people, but we are currently dealing with pressures on the concessionary scheme, with older people starting to come back to bus, which puts pressure on our budgeting because it is demand led. We can tell from uptake that the picture has improved. It is wrong to say that there is a problem of bus not returning to pre-Covid levels, because in some cases it has, and we will start to see reports from this year that we are on that trajectory. Abolishing peak rail fares is part of encouraging more people who have not used rail before to do so. Working with our operators, we have done well with recovery there.

I absolutely agree about road safety. I have concerns about that, and, in difficult times, I have managed to increase the budget for road safety nationally and locally. There are differences in relation to local fatalities, and we are concerned about trunk road fatalities. I get reports on every single one of those deaths, and it is salutary to remind ourselves of the issues. We have managed to go back to deploying our advertising budget.

Speeding is an issue. Another of my serious concerns is fatalities in which people have not been wearing a seatbelt. In a collision, if you are not wearing a seatbelt, you are more likely to die. Well over 20 per cent of people who die on our roads were not wearing a seatbelt. That, in and of itself, is an issue.

We are also tackling the issue of distracted drivers. I chair the road safety programme—I know that this is quite a long answer, but we can provide the committee with more detail on the programme's actions if it is interested. We have researchers working between Transport Scotland and Police Scotland to home in on what the issues are. We are doing a lot of work co-operatively with motorcyclists on road signage at particular bends and how motorcyclists should approach them. That is one of the successful elements of the programme.

We are also identifying when and where issues arise. August is an interesting time. It is outside our school holidays, but there is good weather. That can create issues, so how do we tackle them? There are a range of issues. A lot of people think that road safety is about the condition of the road, but there are very few instances where that is what led to a fatality. Often, it can be driver

behaviour, which is difficult to talk about when people's families are grieving.

Distracted driver behaviour is one of the things that we have real concerns about. We are trying to address that with some of the camera work and other developments that are coming into place. We are also developing, with Police Scotland, the digital evidence sharing capability—DESC—programme, which I know a number of members are interested in. Dashcam footage can be uploaded, to help people to learn about different experiences. That issue is getting my and my colleagues' full attention.

09:30

**Monica Lennon:** Thank you. There is a lot there that colleagues will return to. I will certainly come back with questions on buses.

On issue of safety in the local context—I will leave trunk roads aside for now—we all represent communities that have concerns. You mentioned funding, cabinet secretary. I can think of local examples in Lanarkshire—the convener will be pleased that I will not go into all the detail—where communities are frustrated that, although they raise concerns about accidents and what they would call near misses, they are often told that the road is not as dangerous as other roads or that decisions are made outwith the local authority. There may be a role for Safety Camera Scotland there. Is it about funding? Is it about attitude to risk?

You mentioned driver behaviour, and it is good to hear that more is being done on education and on advertising. However, communities are worried right now, and people who are taking their kids to school in the morning or older people who do not feel confident going out hear from their local authority or the police that other roads are more dangerous and that there is nothing to worry about. What can you say to reassure those communities?

**Fiona Hyslop:** Clearly, local roads are the responsibility of the local authority. Therefore, it is their responsibility to identify whether there are particular areas of concern and to decide how they deploy their resources and funding. Local authorities know that, if they have concerns about excess speeding in a particular area, for example, they can ask for that to be monitored for a period. We need to make sure—and we do make sure—that local authorities know about that, because they do not necessarily make use of that facility.

Local junctions can often be a concern. From your experience as a planner, you will be familiar with the designs of different junctions and how local authorities can use them. That is where

some of the national funding for road safety can help.

Further, the 20mph speed limit is being rolled out in our cities and towns and elsewhere across Scotland. That will help to make a difference—it improves survival rates. You are seven times more likely to survive if you are hit at 20mph than if you are hit at 30mph. We are supporting local authorities in that roll-out. Those are all things that we can help local authorities with, but they have to identify what they need.

We have a very good relationship with the Scottish Collaboration of Transportation Specialists—SCOTS—which is the local authority transport leads group. The transport leads also sit on the national road safety partnership, and we work very closely with them to share experiences and good practice. It is fair to say that local authorities take different approaches. We are trying to bring best practice together, but that has to be led by the Convention of Scottish Local Authorities. I am pleased that the transport lead, Councillor Gail Macgregor, now attends the road safety partnership. COSLA and SCOTS are very much part of this work, which is why I say that it is a partnership. We cannot do everything for local authorities in their areas, but that is the type of thing that can be done.

**Monica Lennon:** Let me turn back to more strategic matters. The second strategic transport projects review identified a series of major public transport projects as investment priorities, including the Glasgow metro, Aberdeen rapid transit and a south-east Scotland mass transit system. Will you give us an update on how the Scottish Government is supporting the development of those projects, and is the Government committed to funding their construction?

**Fiona Hyslop:** Those are big and major strategic projects. Strathclyde Partnership for Transport is leading on putting together what is required for a business case for the Glasgow metro scheme. You will know from your experience on the committee that business cases have to be presented if there is an approach for national funding and so on.

On developments with Aberdeen rapid transit, Aberdeen has led in many ways in terms of using bus. I am less familiar with the third project relating to the south of Scotland—it has not come to me, given the stage that it is at. The business cases will need to come to us when it gets to the point of looking for national funding. In fact, all those projects are still some distance away. Local authorities will identify what funding they have to bring, and, given that the projects are longer term, what financial mechanisms they might want to deploy, using their borrowing and other powers, to

help to finance the roll-out. Consideration of that aspect is really important. A lot of advisory work goes on in that regard, with Transport Scotland providing that advice.

There is also a lot of planning work. Indeed, the other day, I had a debrief from people who are involved with the national census, who told me about the statistics and information that they have at a micro level, which are helping to inform the plans for the Glasgow metro.

**Monica Lennon:** Are you happy with the progress that is being made? You said that some of the projects are quite a long way off.

**Fiona Hyslop:** It is important to understand that the projects are locally led by the regional transport partnerships, including the one relating to the Glasgow metro.

**Monica Lennon:** Are you happy with the pace?

**Fiona Hyslop:** The partnerships are not accountable to me. We have set out the plans, the projects and the priorities in relation to where we will provide support, but it is important to note that there is not a command-and-control aspect regarding the projects.

**Monica Lennon:** I understand that. I just wondered whether you are happy with the pace of progress.

**Fiona Hyslop:** I am content if the regional transport partnerships are content. That is basically my answer.

**Monica Lennon:** We can ask them.

**The Convener:** There are a few supplementary questions on the back of what we have just discussed.

**Mark Ruskell (Mid Scotland and Fife) (Green):** Apologies for being slightly late to the meeting.

I will come back to the issue of speed limits. It is very welcome to see a 20mph limit being rolled out across Scotland, but will the target of ensuring that all appropriate roads are 20mph by the end of this year be met, or are we seeing a staggered implementation?

My other question is about changing the national speed limit on single-carriageway roads—reducing the speed limit for most vehicles but slightly increasing the speed limit for HGVs. Is that still on track? What has the feedback been on that?

**Fiona Hyslop:** On the latter point, there has been extensive feedback, as you can imagine. Obviously, there are different types of single-carriageway rural roads, and we must look very closely at what the change will mean in practice.



There are certain roads on which we need further engagement.

There is a general consensus on what we can do with changing the speed limit for HGVs. I want to consider that properly. I have not had the report on the consultation as yet, but I look forward to receiving it.

**The Convener:** Can you give us the timeframe for that?

**Fiona Hyslop:** Mr Ruskell asked whether it is “on track”, but there was never a timeframe as to when it would happen.

**The Convener:** You must have a timeframe in mind. Will it be done before the dissolution of the Parliament?

**Fiona Hyslop:** On the basis that it will require regulations, and on the basis that your committee is extremely busy, I do not think that we will necessarily have time to do what we would need to do. However, when I receive the responses to the consultation, I want to ensure that I can take a view and inform the incoming Government as to what it might want to do.

I cannot give you a definitive timescale, but I am conscious that, to give effect to some of those aspects, it will require legislation.

**The Convener:** I am sorry, but I will push you a bit more on that. Is the consultation closed?

**Fiona Hyslop:** The consultation is closed. There are a great deal of responses, so we are having—

**The Convener:** How long will it take you to publish those responses? You will want a summary. We are going to get all the climate change plan responses within a month, we are told. You must be able to pull the responses together within a month, surely, and publish a summary of them?

**Fiona Hyslop:** I am not in a position at this time to tell you how long that will take. I would be making it up if I did, and I do not do that.

**The Convener:** We do not like making it up. Perhaps you could write to the committee when you have had a chance to consider that. That would be helpful.

**Fiona Hyslop:** The other issues around—

**Mark Ruskell:** Just before you move on, I will say that the timescales are important, because the quicker we can make changes that have an evidence base showing that lives will be saved, the quicker we can save lives. That is an important point.

**Fiona Hyslop:** You also asked about the 20mph speed limit. All the local authorities have

set out how they will do that. It has already been rolled out in many areas; in many other areas, the roll-out is a wee bit slower. I will dare to say that my local area of West Lothian is perhaps slower than other areas.

What is really important, though—and we know this from the history of moving to the 20mph speed limit in different parts of the United Kingdom—is that there is a strong consensus on doing this at the local level and on a cross-party basis. I am confident that it will be rolled out—and rolled out effectively—by the end of the year in every single local authority. I cannot take responsibility for every single one of those local authorities, but the vast majority are well on their way to delivery.

**Mark Ruskell:** Will the “In town, slow down” message be reinforced by national communications? In Wales, there has been a 25 per cent reduction in casualties as a result of the national roll-out. That is partly because it has been very high profile and the Government there has put a lot of money into messaging and telling people why it is there, rather than people saying, “Oh, I noticed that the speed limit’s dropped,” but they are not sure why. Is there anything to reinforce that message now, as we get to the point where the whole of Scotland has the 20mph limit where it makes sense to put it?

**Fiona Hyslop:** Any national roll-out of communications will need to be done in conjunction with our road safety partnership colleagues, with COSLA and with SCOTS, but you are correct to raise that point about awareness.

I think that, by and large, people are very aware, because they are seeing the signage and seeing the changes, but the importance of it can and should be reinforced as it is being rolled out. I also recognise Monica Lennon’s point about road safety in a local context. If there is a 25 per cent reduction in casualties, that is not always about in-town fatalities, and there can be severe injuries. In terms of that reduction happening, consensus is really important.

I will make sure that, at our next meeting of the road safety partnership, we reinforce the point that the committee is of the view—if you are collectively of this view—that looking at how we can reinforce that point nationally in communications might be helpful.

**Kevin Stewart (Aberdeen Central) (SNP):** Good morning, cabinet secretary. Having visited the Banffshire coast the other week, just a week after the 20mph areas came into play in Portsoy, Banff and Macduff, I could see a real difference in behaviours very quickly and the vast bulk of the folk I spoke to while I was there spoke very favourably about the introduction.

I recognise that those safety matters and local roads are a matter for local authorities. However, in terms of good practice, there are local authorities that continue, for example, to conduct regular area traffic management plans, which include safety features. Have you spoken to COSLA, the regional transport partnerships and others to see whether that best practice can be exported right across Scotland?

**Fiona Hyslop:** At the last road safety partnership group meeting, which I chaired just a few weeks back, that was one of the areas that our colleagues in COSLA and another member of the group, Colin, spoke about—I am trying to remember his second name, but I will check with our colleagues who work with local leads on road traffic management and update you on that.

I do not want to say that some local authorities do not take road safety seriously, because I think that all local authorities take it seriously, but I think that some local authorities are more organised in how they are managing it and it has a higher profile in terms of how it is viewed within some local authorities.

Another area that the people from road policing are quite keen on is making sure that road safety is seen within the context of community planning partnerships; perhaps, in some areas, it has a higher profile and importance. What is really interesting about the reports from COSLA is that, when its relevant committees have engaged on road safety, there is a great deal of enthusiasm from the local councillors who sit on those committees. I think that there is a real appetite to drive this forward, but you are right about the best practice point.

I am not in a position to say what that best practice is, but collaborative work is one of the things that our SCOTS leads, our local authority leads and our COSLA leads want to do in a supportive environment.

That is not to say that people are not doing the things that they can do. Sometimes it is about the resource and the tension that is put on that, but there is a great keenness to use the funding that we are providing nationally to help them.

Interestingly, we recently appointed someone from Public Health Scotland to be part of the road safety partnership, as road safety is also a public health issue. People often see road safety in terms of construction on the roads, but it is actually about how people behave and how traffic is managed to make a difference. Your points are well made, and I will feed them back to the road safety partnership.

09:45

**Kevin Stewart:** On the issue of funding, local authorities always say that they are strapped for cash so is there an opportunity for them to use fines from low-emission zones or bus gates to fund some of those road safety schemes? Has that featured in the discussions that you have had with COSLA? Could that be opened up to debate, knowing of course that it is not directly under your control?

**Fiona Hyslop:** The legislation on LEZs and what the money can be used for is very tight in that it is specifically for air quality and the enhancement of specific areas. That is governed by law, so the money cannot be used for anything at the council's choice and whim, as some people think. Let us put that one to bed.

Some local authorities, including my own, do not even have powers to reinvest penalty charges into roads. There are different experiences in different parts of the country. There is no magic bullet for road safety, but the point is that everybody can contribute something.

We are also pursuing road policing. There is an important, constructive and challenging report into road policing from His Majesty's Inspectorate of Constabulary in Scotland. The police are changing what they are doing and that will become obvious when that report is published.

The reason why it is important is that local authorities often say that local road policing is not as it has been and they have criticisms of it, which gives them an excuse not to do anything. We are trying to get everybody to do more, and if that happens, we will start to have more of an impact on our roads.

**Kevin Stewart:** Maybe that co-operation could occur at the CPP level.

**Fiona Hyslop:** That was an interesting contribution from road policing.

**The Convener:** I am glad that we are not opening up the debate about LEZs and how the money can be used. I remember that from when I was on the committee that did the Transport (Scotland) Bill and it was quite heated at the time.

**Michael Matheson (Falkirk West) (SNP):** It was that.

**The Convener:** It was. We are agreed on that.

Bob Doris, over to you.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** I thought that I would ask about the Scottish Government's current position on car usage. I am conscious that, in 2020, there was an ambition to reduce the number of car kilometres travelled by 20 per cent, and this year

there has been a renewed policy statement in partnership with COSLA that is still about tackling car usage but it has no specific target. That might be a reflection of the Climate Change Committee advice that we got this year that modelled a required reduction in car usage for carbon budgets of 6 per cent by 2035, which is very different from the 2020 target. It would be helpful for the committee to understand what the Scottish Government's ambition is for the reduction in car usage.

**Fiona Hyslop:** The original target of a 20 per cent reduction in car usage by 2030 was set during the pandemic when there was a substantial reduction in car usage and an anticipation that it would go back to previous levels.

As members might recall, I took quite a bit of flak during the summer for recognising that the target was not achievable and that it might also not be needed because of what is required for the future. I had to make that clear at the time because Audit Scotland had written a report. We all knew that the Climate Change Committee's advice was going to be way off what we expected would be needed when the original target was set. The fact that the UK Climate Change Committee's advice on Scotland's carbon budgets indicates that Scotland now needs a 6 per cent modal shift from car to public transport and active travel by 2035 is, as you have stated, a big difference from the original target.

I am currently revising what we will be producing, which we need to do as part of the climate change plan. I know that the committee has spent a lot of time looking at what might be anticipated in that plan. As part of the preparation for the climate change publication, I have received a submission, which I will look at any time now. We need to look at whether the appropriate measure to look at is car use or car emissions reduction, because what we are trying to do with car use reduction is to reduce emissions. Going back to the partnership aspect, COSLA is key to that work.

We do not anticipate all parts of the country being able to change at the same level or to the same degree; our cities will perhaps be in advance of other areas, and we will always need car use in rural areas. As transport secretary, I have been quite clear that I anticipate that.

There is a bit of a challenge in that, in the Climate Change Committee's view, there will be limited car use reduction because people will effectively just move from petrol and diesel vehicles to electric vehicles. Its view is that there will be limited reduction in cars—full stop—and that they will all be EVs. I think that that is ambitious.

We will have to consider what we need to do to meet our carbon budgets. The 6 per cent modal shift requirement is low, and we need to think about how it will impact on emissions. There are other reasons why we would want to encourage car use reduction generally by encouraging public transport use. We know that using public transport is a healthier way of travelling in terms of walking, wheeling and cycling. In some parts of the country, we will clearly need to have continuing extensive car use—that can be through EVs, but, as we are aware, we need to make sure that we have charging infrastructure that meets requirements. That is why, as I have said to the committee before, we are providing £30 million outwith local authority funding to develop that, in addition to the new rural and islands EV fund, as the market will not necessarily support charging infrastructure in some of our rural and island areas.

The situation is difficult and complex. There is a world of difference in what the Climate Change Committee is saying now compared with what it said previously. I need to make sure that, in the climate change plan, we present that new target to everyone.

**Bob Doris:** Although we will get more information on a sectoral basis across the portfolio when the climate change plan is published, I am conscious that the 6 per cent reduction predicated by the UK Climate Change Committee—if I have got this right—means a 6 per cent reduction in anticipated growth in car usage rather than a reduction in kilometres. At this stage, can you say whether the Scottish Government's position is that it wishes to see fewer kilometres travelled by car or to constrain the growth in kilometres travelled by car? I am conscious that you also mentioned that it is about reducing emissions as much as it is about reducing kilometres.

**Fiona Hyslop:** Yes, it is about emissions. It is possible to have the same number of cars and to increase car use while—if they are all EVs—seeing a reduction in emissions. We need to ensure that whatever is produced in our plans reflects what Scotland's needs are likely to be. We need a shift towards, and encouragement of, the use of public transport. That is one reason why we removed peak fares for good. It will take some time to deliver that full modal shift and for people to make that decision.

In the climate change plan, we will set out what is required. In June, in the policy statement that accompanies carbon budgets, we indicated some of the areas of transport that we will be working on. There will be a transport chapter in the plan when it is published.

**Bob Doris:** Okay, so we will have to wait and see the climate change plan to know whether the

Scottish Government's position is for fewer kilometres.

**Fiona Hyslop:** I am actively considering what that will look like. I am not in a position to tell the committee just now, but it will be set out in the climate change plan.

**Bob Doris:** My final questions are more general. You helpfully mentioned that there is an appreciation of the fact that cars are an absolute lifeline and necessity for many reasons in remote and rural areas, even when those areas have enhanced public transport. Should we expect constraints on the growth in car usage to be more predominant in urban areas? Will you give some examples of the current actions that the Scottish Government is taking—notwithstanding the new plan that will be published shortly—to reduce car usage or to encourage a switch to public transport?

**Fiona Hyslop:** When I made it clear that we would have to change our targets in that area, we issued a policy statement with COSLA, setting out the different actions that would be taken. One of the proposals, which I think is right and appropriate, is for regional transport partnerships to set out what they will be doing locally to tackle emissions and car use, and to encourage the use of public transport. We also said that we would carry out a regulatory check on the legislation, introduced by the then Labour Government, which made provision for road user charging—it is up to local authorities whether they want to use that—so we are establishing a group that will look at whether that legislation, the Transport (Scotland) Act 2001, is still fit for purpose, if anybody wanted to use it.

**Mark Ruskell:** I will continue in that vein. In the plans that you expect local authorities to come up with—particularly those of urban local authorities, which will need to have a target in mind for traffic reduction—what kind of measures will you support? Will you support traffic demand management measures? How would the Scottish Government respond if a council came to it with a form of congestion charging or workplace parking charging and said, “We want to do this. Can you support us, help us to explain the benefits and help us with modelling it?”

**Fiona Hyslop:** This is about local decision making. I am not going to take a command-and-control approach and say what local authorities should or should not do—it will be up to them to decide what they want to do. Local authorities have legislative provision that they can use, whether it is in the 2001 act or the Transport (Scotland) Act 2019. However, what has happened is interesting, because fewer people are coming into cities to work, which perhaps reflects Monica Lennon's point about commuting.

Significant numbers of people are still working from home; in fact, the census showed that about a third of people are still working from home. Obviously, the census was taken in 2022. Circumstances have changed, and we do not see any local authorities looking at workplace parking levies, for example.

The Labour transport lead in the City of Edinburgh Council is keen that we do not roll back from anything. He was concerned about whether a reduction in targets would have an impact on the council. It does not; it allows the council to carry on and do what it wants to do. Some local authorities are more keen than others that we set up the regulatory review, so that they can see what they might want to do.

My advice to local authorities is to ensure that they have good, strong public transport alternatives. In Edinburgh city, the Lothian bus system is strong, respected and very popular. The challenge will be in relation to what happens to the likes of East Lothian, Midlothian and West Lothian. The strategic transport plans that were set out previously in Lothian were for a mass transit system. The process does not necessarily specify one particular mode of transport, but the system has to operate across the region, not just in one city.

I suspect that that is a challenge generally with regard to our cities. The issue is not so much what local authorities want to do internally in the cities as how they work with neighbouring local authorities to ensure that everybody gets the benefits. A good, positive alternative in the form of public transport for people would be a requirement.

We are there to enable and support local authorities where we can, and we will respond to any proposals that come forward. I do not think that we have seen any firm proposals yet, but that is the general atmosphere. We are doing what we need to do to ensure that the regulatory checks are in place for certain approaches that local authorities might want to use, so that there is provision if they want to use legislation. However, they have to decide for themselves what to do—I cannot decide that for them.

**Mark Ruskell:** I appreciate that the design of any schemes needs to be a very local decision, because there are local factors. However, is there an issue that that creates uncertainty? You now have a climate change plan that has a big hole in it. The cabinet secretary with responsibility for net zero said that transport will be filling that hole, so there will be an acceleration of actions on transport.

10:00

If many of those actions are being delivered at local level, and if it is in effect up to councils to decide whether to use congestion charging or demand management, is there a danger that major projects or things that you are relying on in the climate plan will not come forward because councils are reluctant, so we might end up with a big black hole in our attempts to reduce carbon emissions? How would we fill that? We cannot completely fill it with EVs; there must be new and innovative policy. How can you ensure that action will be taken at local level, that projects will come through and that policies will be enacted, if that all depends on local councils?

**Fiona Hyslop:** I am not sure that I accept your analysis. There are two aspects. There is what is built into the existing climate change plan and the emissions reductions that we are expecting, which you are familiar with, and then there is what we will do next to deliver on the stretch targets in the Climate Change Committee's carbon budget. The stretch targets are additional.

A lot of what you reflected on is already built into changes that will be based on demand reduction, which comes in different shapes and sizes. Most of that will be driven by the EV mandates that are reserved to the UK Government, including a shift towards all new cars being electric as opposed to any other type. We agree on that on a four-nations basis, working with the UK Government. The big driver for change in the existing plans comes from the EV mandate. We do not have control of that lever, but we have some input and we work co-operatively with colleagues from across the UK.

You asked what will come next. We do not have control of some of the big issues. Aviation and shipping are challenging areas; we can do certain things, but there are limits to what we can do.

Some 15 per cent of our transport emissions come from HGVs, so we are determined to do additional work on that and have already done a number of things. We have published two iterations of work that was done with Heriot-Watt University on where HGV charging points might be placed. The university has identified a need for 63 of those sites, and we currently have 27. That will give electricity networks and fleet companies an indication that will help them with planning.

It is a big challenge to finance that work, because HGV fleets are expensive and, as we know, most of our HGV fleets belong to small and medium-sized enterprises. That is why we are working with a consortium to identify potential funding routes and why we have our HGV market readiness fund, which is open to SMEs that have fewer than 50 vehicles in their fleet.

**Mark Ruskell:** I do not mean to interrupt, but I am sure that a lot of that detail will be in the climate change plan. My concern is that the Government as a whole has made decisions not to accept CCC advice on a number of matters, such as livestock production. The cabinet secretary with responsibility for net zero has said that the transport sector will be picking up the slack. We understand that the megatonne of emissions for which plans are currently missing in the CCP will—ostensibly—be picked up by transport. I am trying to understand how that gap will be filled by transport plans if demand management is not rolled out quickly enough. Will we see that in the climate change plan? Will transport plans step in to address the deliberate policy decisions that the Government has made not to take action in some areas because it thinks that transport will pick up the slack?

**Fiona Hyslop:** The answer is yes. I have given an answer. There is an issue with car use that goes back to your previous point about demand management. If there is a significant shift—more than anyone expected—away from petrol cars to electric ones, the amount that demand management will need to contribute will also change; that is what the Climate Change Committee is telling us.

I am not saying that demand management cannot be part of the mix; there are incentives, too. Indeed, there have been incentives from the UK Government, and we have been looking at second-hand purchase schemes to allow those who are on lower incomes to purchase EVs. There is the incentive side of things, and then there is the demand management side, which will be led by local authorities. However, if, as we are being told, less of a reduction in car use will be required to reduce emissions, because of the use of EVs, the number of cars might actually increase. The context, therefore, is different.

I am not disputing that demand management is one part of the mix, but we should not understate the fact that, in order to go further, we will have to start to tackle some more challenging areas. As I have said, HGVs represent one of the most challenging areas. We know that there is a journey to go on, but we have started in this year's budget to try to get things moving.

**Mark Ruskell:** I am sure that we will see the plan at some point.

**The Convener:** I am sure that we will.

Before we move to the next subject, I will talk briefly about active and sustainable travel. I note that, in 2023-24, there was a 50 per cent underspend and that, in 2024-25, there was about £200 million in the budget. I have to say that I get confused about what is being spent on active

travel and what is being spent on sustainable travel. So that I can understand it, can you tell us what of that £200 million you are going to spend on active travel? Is the money all going on the various announcements for sustainable travel?

**Fiona Hyslop:** I am sorry—did you refer to ferries?

**The Convener:** No—sorry. It is usually me who struggles to hear, cabinet secretary.

I said that £200 million was put into this year's budget for active and sustainable travel, and I get confused about how active travel and sustainable travel are defined and what is spent between the two. Therefore, I want to know how the £200 million this year will be split between active and sustainable travel and whether the announcements on sustainable travel that you have made with regard to EVs, HGV funds and the rest of it have taken the majority of that money. How much is going to be spent on active travel? That is my question.

**Fiona Hyslop:** The money for EV charging is not part of that funding—that is separate and has been annotated separately.

We talk about active and sustainable travel because feedback from local authorities suggests that when they plan and design their routes—I am sure that Mr Doris will recognise that an awful lot are under construction in Glasgow—they have to think about not only the cycling routes but the bus routes. The smart thing to do when looking at works on roads, not least to minimise disruption, is to consider what is needed for bus infrastructure as well as for active travel—that is, the traditional walking, wheeling and cycling.

Officials can correct me if I am wrong, because I do not have the exact figures to hand, but that accounts for roughly £168 million of the proposed spend. It is consistent with our budget for last year, not all of which, I recognise, was spent. The fact is that we had a very challenging year; as you will remember, there was an in-year budget by the incoming UK Government, which had consequences. It made our own budget very challenging, and not everything could be spent in that year.

As for the proportions of spend, I am pleased to say that, for 2025-26, £37.5 million of tier 1 funding for active travel has been announced, and we have been able to announce the tier 2 funding for construction-ready active travel projects. All of the active travel parts of the budget have been announced, apart from some design work and certain design elements.

There is funding for bus infrastructure, which I know that the committee was very interested in—

**The Convener:** I am sorry, cabinet secretary, but I am now more confused than I was at the beginning.

**Fiona Hyslop:** I am just about to explain how we get to the total.

**The Convener:** Audit Scotland said in a report earlier this year that conflating active travel and sustainable travel makes it really difficult to understand the figures. Apparently, when it asked those in Transport Scotland to say what was active and what was sustainable, they scratched their heads, too. Will you define that for me and say how much of the £200 million is actually going on active travel?

**Fiona Hyslop:** I am trying to remember the figures from my budget appearance earlier this year—I will correct them if I am wrong. We have £27.9 million of funding for behaviour change and £20 million for the bus infrastructure fund. The remainder will be for active travel. Its funding is similar to that allocated in previous years and to what people have traditionally seen. Somewhere in there is the community bus fund, which I know is also very popular. That is a smaller amount.

The funding is in a good and positive place. As I have explained, it is combined for practical reasons, because it helps local authorities to be able to use the funding in a sensible and co-ordinated way.

**The Convener:** Perhaps you could put that in a letter, because I am now even more confused. My maths is not good enough for me to work out exactly how the £200 million is split up. Perhaps we could have two charts to show the split, with one entitled “active” and the other one “sustainable”. It is quite a big sum.

**Fiona Hyslop:** Yes—it is.

**The Convener:** Audit Scotland struggled, and I am struggling, too.

The next topic is the dualling of the A9. The issue is close to my heart, and I will try not to make it too parochial. I am grateful for the briefs that you have given MSPs on the issue. Will you explain where we are at with the mutual investment model? We are due an update in relation to the decision making on that in the latter part of this year.

**Fiona Hyslop:** That is still the plan. We have to consider how we can fund the A9 work. There is a proposal to use a mutual investment model to fund some sections, which would involve using revenue from a privately funded model, similar to that which the Welsh Labour Government has used, particularly on roads.

We must work closely not just with Transport Scotland colleagues but with those in the finance

and exchequer directorates. The discussions are on-going—in fact, I met the Cabinet Secretary for Finance and Local Government to discuss the MIM proposals in this very room just a few weeks ago. I cannot tell you where we are with the final decision, and I will need to take the issue to the Cabinet. We will make the committee and MSPs generally aware of the decision on the use of MIM to fund the work.

**The Convener:** I do not remember the exact figure that we were given for the cost of dualling the A9, but it was something like £3.7 billion at 2023 prices, so we will be somewhere north of that. If MIM—I do not like using that term. If the mutual investment model does not work, what happens then? Where will the money come from? Do you have a plan for that?

**Fiona Hyslop:** That would put pressure on the capital budget, but we have always said that we would need to revert to capital in that scenario. That is why we are looking closely at value for money from the business plan, what it delivers for the public purse and what is affordable under the Scottish Government's budget. We are having exactly those discussions about the A9, and such considerations were always going to be a part of that.

**The Convener:** If MIM fails, it will not diminish your determination to dual the A9.

**Fiona Hyslop:** No. As I said, the section 4 contract has been awarded, and we are moving to procurement on section 5. Anyone who travels the route, as you regularly do, will see the work that is happening now. You will probably start seeing the ground works on the Tay crossing to Ballinluig section, too.

**The Convener:** I see that, and I see that the Spey bridge is being resurfaced again, although it is less than a year since that was previously done. That adds to the confusion about road works.

I will link the issue to our previous topic of active travel. For active travel, the missing bit on the A9 is between Aviemore and Carrbridge, which is one of the areas that are to be dualled. If we are underspending on the active travel budget, should we sort that bicycle lane and the pedestrian walkway before the road works start? Otherwise, things will be even worse. Surely that would be a good investment.

**Fiona Hyslop:** We are not underspending on active travel this year. As I have set out, we are spending the full amount. There is only one tiny element that has not been set out this year.

On the project that you mention, we have had submissions in recent months on the steps that need to take place to ensure progress on it. That is a keenly anticipated active travel route and is

one of the benefits of the work on the A9. I am happy to provide a briefing in writing to the committee on that active travel segment.

10:15

**The Convener:** MSPs from the Highlands and Islands will be very interested to hear that. It would be useful to have that briefing, purely because it is the bit that will be critical to ensuring that bicyclists and walkers are safe, especially during the road works.

Michael Matheson wants to come in on that point, although not on the bicycle lane.

**Michael Matheson:** Good morning. I want to ask about the A9, although my question applies to any of the Government's major transport infrastructure projects. We all recognise that good and effective transport infrastructure is critical to our economy. However, I am interested in how we use major infrastructure projects such as the A9 works to drive wider economic growth. My question is not so much about what the infrastructure itself provides; it is about how, if we are investing—around £3.7 billion in April 2023 prices to dual the A9, for example—we can ensure, through the procurement process and the way in which the funds are disbursed, that as much of the investment as possible goes into supporting economic growth, whether that is in the Highland region or across Scotland as a whole. How do we go about doing that?

**Fiona Hyslop:** One aspect that I am keen to ensure is well understood is that transport is not just about the functional delivery of services or roads; it also has a huge economic impact, not least of which is the number of people who are employed in the transport sector. We think that it supports around 150,000 full-time equivalent jobs and that it generates around £10 billion in gross value added. That is all set out in our report "Connecting Scotland—The Value of Transport".

You mentioned the A9. Part of our aim with the Tomatin to Moy project is to ensure that it has a local economic impact, with local companies and local people being employed and opportunities being provided for people who perhaps might not get employment elsewhere. That has been a key requirement in the A9 procurement process to date, and local provision of labour and the use of local companies was evidenced by what I saw and heard when I visited the Tomatin to Moy section site.

On the challenges that we have in Scotland, the demand for construction in general is very strong. We are seeing that in the energy sector as well as in the roads sector; I know that the committee has taken an interest in energy in some of its recent inquiries. We want to get value for money, but we

also have to anticipate construction inflation, which has exceeded levels in other areas and places pressure on that.

The point about the supply chain is really important. With regard to road construction areas, Transport Scotland has worked very hard on supply chain procurement for the different A9 sections.

**Michael Matheson:** How does Transport Scotland specify that in its procurement process? How does it ensure that local businesses are able to maximise the potential benefit that comes from the huge investment in transport infrastructure? Are we in a position to demonstrate that? I am familiar with some of this, but is there a way in which Transport Scotland can document and demonstrate the benefit that is coming from, for example, dualling the Tomatin to Moy section? I think that Balfour Beatty has the contract for that project. Can Transport Scotland demonstrate how much Balfour Beatty, through the procurement process, is maximising the benefit to the local supply chain?

**Fiona Hyslop:** The Procurement Reform (Scotland) Act 2014, which you will be familiar with, sets out the importance of community benefit, to the value of 10 per cent. That is set out more clearly in the provisions across public sector contracts that are our direct responsibility. Although I do not have them to hand today, I have seen figures on Tomatin to Moy and I can share that breakdown and the types of community benefits with you, which include benefits to local businesses that are involved in the delivery of different services. We can demonstrate that.

Moreover, Transport Scotland has produced a document that sets out its procurement work—I have it in my inbox and want to study it at greater length; I do not know whether Fiona Brown is familiar with it. We could send the link to the committee, and you could read about the work's impact.

**Michael Matheson:** That would be helpful. Thanks.

**The Convener:** Douglas Lumsden, I think that you are up next.

**Douglas Lumsden (North East Scotland) (Con):** Thank you, convener. I will stay on the topic of dualling, but I want to ask about a different road. The A96 corridor review was published almost four months ago. What next steps will the Government take on the A96 dualling project?

**Fiona Hyslop:** As I said that I would do, I will publish the consultation on that issue very quickly, as it was a request from the round-table meeting that I had with MSPs. We must look at the A96 as a whole. As you know, there are different sections

of it: Inshes to Smithton, Inverness to Nairn, including the Nairn bypass where we have taken title to land in April, and the rest of the corridor, on which we got feedback.

One of the things that we are considering following the consultation is prioritisation. The consultation feedback was in favour of full dualling of the A96, but anybody with an understanding of the current financial situation will know that that will not happen immediately. Our plans will need to set out the priorities. For example, the feedback was that an Elgin bypass is a priority. On what prioritisation will make most sense, that goes back to the point about the impact of transport on the economy. Chambers of commerce and others have an interest in that.

In relation to funding that work, it was always my view that we would need to identify what will be the infrastructure investment plan. As the committee will know, the capital forward look, the spending review and the infrastructure investment plan will be affected by the timing of the budget—I am sure that the committee is aware that the Scottish Government budget will be introduced later as a result of the UK budget being later than we thought that it would be, which will impact on other aspects.

I thought that we would be in a better position to identify when the infrastructure investment plan would be published, but it is not in my gift to say when that will be. However, I know that people will be looking at the A96.

**Douglas Lumsden:** The Scottish Government first committed to dualling the A96 in full in 2011. Is that still a Scottish Government commitment? Should we then expect money in this year's budget to be assigned for the A96 work to start in the coming year?

**Fiona Hyslop:** There was funding in this year's budget for some sections of the A96. I cannot tell you what will be in next year's budget, because that is still subject to our one-year budget discussion.

I was straight with the committee in saying that previous commitments on the timescales for delivery of full dualling would not be met. People expect us to be straight with them, and that is what I was previously—in this committee, I think—to ensure that it was clear then.

I know that you will want to have information, but a lot of those things must be collectively agreed with Cabinet colleagues. As you will be aware, the budget is an on-going process. I am not at Cabinet today, but lots of discussions on budgets take place on a Tuesday morning, so, if the committee would like me to be part of those discussions, I ask it not to call me in for the next wee while, please.



**Douglas Lumsden:** Cabinet secretary, if you want to be straight with people, will you say whether the Scottish Government is still committed to fully dualling the A96? I guess that that is what people want to hear about.

**Fiona Hyslop:** That is our current position, but we will need to prioritise the ordering of that. There is a clear order, because parts of the A96 are further along in the process than others. Indeed, one is undergoing a full public inquiry. As I have said, we have also taken title to some land. On the ordering, as part of our market review and our interest in using MIM, we made sure that we included parts of the A96 in those discussions when we were looking at the A9.

The challenge for the A96 is whether we bundle it into one project or whether it would be more sensible, better value for money and better for delivery to do the project in smaller sections. I know that there is real appetite to focus on the Nairn bypass, which could possibly be done as a single project to get the ball rolling, for example. However, I am not in a position to give you the detail on what will happen when with that. I can just say that work is on-going to assess what that project might look like.

**The Convener:** Mark Ruskell has some supplementary questions.

**Mark Ruskell:** A lot of money was spent on a climate compatibility assessment of the full dualling of the A96. Will that be reflected in the climate change plan in some way?

**Fiona Hyslop:** I am not sure that the climate change plan will go into detail about that assessment. The CCP will be about our plans to reduce emissions specifically, so it will not contain a detailed road-by-road analysis. For example, I do not anticipate that the A9 will be a specific feature of the CCP.

**Mark Ruskell:** Are you saying that the options within the A96 climate compatibility assessment suggest that there is no impact on the climate at all? I am not suggesting that every street should be in the climate change plan, but surely the two biggest multibillion pound road-building programmes should be reflected in some way. Do they make emissions go up or down? Does it matter if everyone is driving EVs? I am being simplistic, but how does it all add up?

**Fiona Hyslop:** On your latter point, I do not underestimate the significance of the Climate Change Committee's recommendations and advice. It will be interesting to see what the UK Government's plans are when they come out shortly.

If everybody is driving an EV rather than a petrol car, that will have a different impact on emissions,

but we cannot deal with the hypotheticals of a plan for the A96 that does not currently exist. It can exist in part, because the development of some parts of the A96 is further on, but I do not want comment on a road that we have not made any decisions about; to do so would be conjecture.

**Mark Ruskell:** Millions of pounds were spent on a climate compatibility assessment to guide the Government towards a balanced set of options for improvements to the road. What was the conclusion of that and will it be reflected in the climate change plan?

**Fiona Hyslop:** I think that your expectations of the climate change plan are different to what the climate change plan needs to be. I am not in charge of the climate change plan—

**Mark Ruskell:** It needs to add up.

**Fiona Hyslop:** Of course it needs to add up, but the whole point is that it can add up in different ways, and the increasing use of EVs as opposed to petrol cars is a significant development that the UK Climate Change Committee has mentioned. That will be reflected in the climate change plan.

**The Convener:** Michael Matheson has some further questions.

**Michael Matheson:** Given that Mr Reeve is here today, I want to turn to rail and the performance of ScotRail and Network Rail. I was struck by the recent figures that show that ScotRail had the lowest train cancellation rates in the UK in 2024-25, with an average of only 2 per cent of stops being cancelled compared with the UK average of 3.3 per cent. Do we know why ScotRail's performance has improved in that area and why its cancellations are the lowest in the UK?

10:30

**Fiona Hyslop:** ScotRail has a specific focus on delivery for customers, which has led to good and improving performance under public ownership. The fact that we have had a regular timetable this year will also help and is testament to what the rail unions feel is a good and constructive relationship with the Scottish Government, and one that has been enhanced by public ownership. I recognise the member's previous role and his involvement in making that decision. All those things have helped with performance. Public perception of ScotRail is the best for all the major rail providers, with approval at 91 per cent, which reflects well on performance.

I am not saying that everything is good. There are still challenges and we still need to deliver on what we are investing in the system. We are working with Network Rail to invest in strategy and

priorities, but it is not making the progress on performance that I would like to see.

The picture is certainly good in comparison with the rest of the UK, and public ownership has added to that. It is striking that the UK Government's plans for rail reform seek to replicate what we have here and I emphasise to the committee that we will have to consider where the UK-wide legislation will have an impact on Scotland. I am spending a great deal of time on that area. Bill Reeve, whom you referred to, is director of rail reform and is dedicated to that particular area. I will keep the committee apprised of when you might expect to have information.

That is a segue into the issue of rail reform, which I will highlight to the committee. We cannot have any diminution of the powers that we currently have in Scotland. I am working hard and constructively with the Department for Transport, as are colleagues, to ensure that, but it is really important that we protect the powers that we have. A lot of our success in rail has come from agreement and alliance and from working together to plan activities. For example, we ensure that Network Rail works with ScotRail to avoid cancellations when works are being planned. However, as we saw with storm Amy, circumstances can cause issues on the network and can lead to cancellations. Sadly, there can be fatalities, which can also cause disruptions, so the picture for cancellations is complex but, by and large, I am pleased with ScotRail's performance.

**Michael Matheson:** You made a point about Great British railways. Is there any concern that that might reduce the level of responsibility, or the role, of Scottish ministers in the operation of the rail network in Scotland?

**Fiona Hyslop:** I will bring in Bill Reeve to expand on some of that, because he has had more contact with our officials who have been working with those from the DFT. I have met several times, including in person, Lord Hendy, the rail minister, to impress on him that there cannot be any reduction in our powers.

The concept of rail reform was initially established by the Conservative UK Government and was then picked up by the incoming Labour Government. We must ensure that Great British railways is accountable and responsible to Scottish ministers in any areas where we have strategic or financial responsibilities. We currently fund Network Rail by more than £1 billion a year and have set out our strategic requirements in connection with that funding, so it is only right and proper that we should have direct control of that part of the work. The key issue will be how that is set out in legislation. We expect legislation fairly soon but have yet to be assured that the executive devolution that we currently have will be

maintained. I am spending a great deal of time on that.

I will bring Bill Reeve in to expand on that point.

**Bill Reeve (Transport Scotland):** Good morning, convener and Mr Matheson. This is directly relevant to the cancellation figures: I am pleased to say that I checked the latest figures this morning and that they are now at 1.6 per cent in Scotland, which is almost exactly half of the figure in the rest of Great Britain. The reason why I mention that is that the distinctly and consistently better performance figures that we get in Scotland, by just about any measure, reflect the way in which we have worked really hard under devolved arrangements to ensure the joining up of the infrastructure under Network Rail, which is still owned by the UK Government, and ScotRail, which is now fully owned by the Scottish Government, in an integrated, coherent system. The work that we have done under the current legislation to limit the damage of a disintegrated railway has been noticed.

What we have done in Scotland is a big influence on the UK Minister for Rail's and his officials' proposals for the reform of railways across GB under the current legislation, which is quite gratifying. Although we are assured that current devolved arrangements will be respected and in no way diminished, there is the continued difficulty that the ownership of the infrastructure is proposed to remain under the UK Government, whereas the train operations will remain under the ownership of the Scottish Government. You will see that that creates a structural barrier to the integration as distinct from what we might absolutely prefer.

We are therefore working extremely hard with our colleagues in the Department for Transport to mitigate that odd separation of ownership from funding and strategic responsibility. We are looking at arrangements that we believe will secure not only no worsening of but some improvement in the level of our control over the substantial amount of funding that we provide to Network Rail. I do not know of any other Scottish Government area where we have devolved responsibility for the strategy, the specification and the funding but no ownership of the asset that we are providing all that funding for. That has been a big area of focus for us in our discussions.

The discussions are constructive and we are cautiously optimistic that we will get a good result. However, we have not yet seen the final version of the railways bill. Alongside it, there will need to be intergovernmental agreements, too, because a lot more is changing than the bill will absolutely specify. As you might imagine, that is a focus of our efforts at the moment, as the UK Government

proposes to submit the bill to the UK Parliament before the end of this calendar year.

**Michael Matheson:** That is helpful. It will be useful for the committee to be kept up to date on where progress has been made and on the potential risks and issues that might arise, given that it is a live issue.

Let us turn to the question of where we are with the public performance measure. The annualised target is 92.5 per cent, which it has been for quite an extended period of time. As yet, ScotRail has not been able to achieve that percentage. From what I can see, the annualised figure is sitting at just under 90 per cent—although the periodic figure is slightly better for the past four weeks. We have not seen a significant improvement on the PPM. We are broadly in line with where it was in 2008, 2009 and 2010, and that was still below the target. What are the principal inhibitors to our achieving the annualised 92.5 per cent PPM figure?

**Fiona Hyslop:** I will bring in Bill Reeve on that. However, before we leave the subject of rail reform, I note that we anticipate that there might be a need for a legislative consent motion. Obviously, the committee would have a role in relation to rail reform. The timing of that is outwith our control, but I know how busy the committee is, so we will keep you as informed as we can on that.

You are right, which is why I said in my opening remarks that, however good some of the performance figures are, I am not satisfied that we are meeting what is required and expected. That is why I have regular meetings with ScotRail and Network Rail chief executives to identify what improvements can be made.

Obviously, the disruption of the Covid period shows when compared to the 2008 to 2010 figures that you talked about, but we want to see that improvement drive. There has to be consistent improvement in activity and performance. A whole variety of things affect performance, but it is not where I want it to be, and it is not where we have specified that it needs to be. Therefore, in terms of accountability and public ownership, we are trying to drive performance forward. It is the people's railway, and people expect it to provide a service that is continuously improving. That is what I am trying to focus on just now.

I will ask Bill Reeve to come in, convener, if that is okay.

**The Convener:** Sure.

**Bill Reeve:** The specific question was about the key causes that limit or restrict performance. There are clearly some things such as very severe weather and, sadly, fatalities on the railway that

have an impact. There is, of course, work that is done to mitigate the impact of such events.

To put it into perspective, the ScotRail PPM is averaging a little bit below 91 per cent. By the way, that is an assessment of the importance of ScotRail and the infrastructure working together. We have a single measure for the whole system, and both bits of the system have the same target. That compares with a figure of around 86 per cent in the rest of Britain.

The principal causes that limit performance include the reliability of rolling stock. You will be aware of the recent announcements about the procurement of new stock for the intercity fleet and a significant portion of the suburban fleet, which will help. In the meantime, there is a continued focus on improving the maintenance effectiveness of the current operation.

Train crew availability has been another significant cause, compounded by some industrial relations issues in recent years. Again, improvements in industrial relations, combined with the largest driver recruitment programme that I have ever known ScotRail to have—I think that it also tops the GB league at the moment—is seeing a reduction in that.

There are also infrastructure failures from time to time. The Network Rail infrastructure performs better in Scotland than elsewhere, but our colleagues at Network Rail are working hard under that £4.2 billion operation—that is the maintenance and renewal funding that we got for regulatory control period 7—to focus its expenditure on areas that will improve performance. Distinct from the rest of Britain, we included within that five-year funding settlement a £50 million performance improvement fund, over and above the funding of regular operation, maintenance and renewal, precisely to allow funds to be targeted at those aspects of the system that would deliver the biggest improvement in performance.

We have always set a stretch target for ScotRail and Network Rail, and I believe that we would not be as good as we are if we had not done that. We beat that target in some periods. We do not beat it consistently, but the moving annual average is where we wish it to be. I should also have mentioned that there is a discernible dip each year during autumn, which is associated with issues of poor adhesion—an inevitable feature that affects railways around the globe—which causes a number of issues with the performance of trains, not least of which is the need to allow for more cautious braking techniques.

That brings us back to our investments, where the train specifications include a requirement for improved braking systems to cope with low

adhesion. We and our colleagues in ScotRail understand the causes and we are focusing our funding to address those issues.

**The Convener:** You are slightly pushing my definition of a short answer—in fact, you are certainly pushing my definition. That answer was fulsome, perhaps.

10:45

**Bill Reeve:** I do apologise, convener.

**Michael Matheson:** That was helpful. I understand and appreciate some of the challenges. I think that ScotRail expects to achieve PPM by 2027-28, as part of its five-year improvement programme; I wish it well with that.

I will ask about the decarbonisation of our railways. You recently announced the partial electrification of the Borders railway line and the Levenmouth line, with the intention of using battery electric trains. Can you give us a bit more detail about what your plans are for those lines?

Decarbonising our railways will clearly not be achieved through full electrification, in my view. Other options will have to be pursued to decarbonise some of our lines, particularly those that go up to Inverness and some other parts of rural Scotland, where electrification would end up creating resilience challenges, particularly during adverse weather in the winter months. What other options are we considering to decarbonise our railways if we cannot achieve that through electrification?

**Fiona Hyslop:** There is a lot in there. It is actually the Fife line; the Levenmouth line was capable of taking electric when it was originally opened.

We have just had a very pleasant celebration of the 10th anniversary of the Borders railway. Its electrification will involve the use of battery electric trains, which will also have level boarding and other aspects that will be very welcome for customers.

The decarbonisation plans for ScotRail will influence the climate change plan that we will produce—I know that the committee has been interested for some time about where the refresh of that plan is and what its timing is. I am sure that you will appreciate that it makes sense to incorporate in that our plans for the Fife and Borders lines.

The second part of your question was whether we are actively looking at alternatives. The obvious one is hydrogen. I know that you have been interested in hydrogen trains, both as a member and a minister. The Scottish Government is doing no immediate work on the provision of

hydrogen, but your analysis is correct that, at some point in the future, we could certainly imagine that parts of the country where hydrogen is being produced would have access to use of that hydrogen for rail. However, that would involve a considerable amount of investment in the fleet.

I visited the prototype of a hydrogen train during the 26th United Nations climate change conference of the parties—COP26—and I know that there is interest in helping to develop that, but I do not want to give you the impression that that is something that I, with my limited budget—however big it might be compared to others—can focus time and attention on at this point. However, your perspective is one that we should be open to.

**Michael Matheson:** I do not think that we can wait for hydrogen; we have to press on with decarbonisation using other options, beyond electrification, that can help to decarbonise our railways. I suspect that hydrogen trains are quite a long distance away. I also think that, on some of the high-speed routes, hydrogen would not be effective, because we would burn through so much that lines could not be operational. What other options are we looking at?

**Fiona Hyslop:** There are alternative fuels. You might have seen the news this week that ScotRail has been looking at alternatives to diesel that would have fewer emissions. Across different modes, people are looking at whether there are other sustainable fuels that could be used. I do not have the detail on that, but I am sure that we could get a briefing from ScotRail about what it is trialling, because it did that during the last week.

**The Convener:** A number of members have supplementary questions, and I will go to Douglas Lumsden in a minute. Before I do, cabinet secretary, I appreciate your offer of help with regard to an additional LCM, but it would be wrong of me, as convener, not to ask you when we can expect to receive it. You have offered—I am asking.

**Fiona Hyslop:** We do not know, because we are not in charge of the UK legislation.

**The Convener:** Well, roughly.

**Fiona Hyslop:** We are expecting the UK legislation before the end of this calendar year, but I cannot tell you when that might happen. It is a complex piece of legislation, but as soon as it is published, we will want to move quite quickly to let you know the timetable. I am just putting it on your radar, because it is a serious piece of work.

**The Convener:** I think that we already had it on our radar, along with all the other things that we are doing in the new year, which are too many to mention.

**Douglas Lumsden:** I seek clarification on the cancellation statistics, cabinet secretary. Do they take into account services that have been cancelled due to a temporary timetable being introduced? For three months last year, about 700 services per day were axed, because we were on a temporary timetable. Does that statistic feed into the cancellation statistics?

**Fiona Hyslop:** As Mr Reeve said, if you were able to hear it, the 1.6 per cent figure is for this year. We have not been as subject to temporary timetables this year as we were last year, so I think that we are in a better position. There were temporary timetables in place during a period last year when we were discussing drivers' pay, but we are not in that position this year, which is probably why—unless Bill Reeve is about to correct me—we are now seeing an improvement. That does not mean that there will not be temporary timetables from time to time, but that sort of thing has been less evident this year. Therefore, that 1.6 per cent figure has been very helpful indeed.

Cancellations are measured against the temporary timetable, too. Coming back to the premise of your question about cancellations, fewer temporary timetables have needed to operate this year. That is why you are seeing an improved position compared to the previous year's 2.2 per cent.

**Douglas Lumsden:** Are you saying that the 700 services per day that were cancelled for three months last year do not feed into the cancellation statistics?

**Fiona Hyslop:** Bill, do you want to explain that?

**Bill Reeve:** That is absolutely correct, Mr Lumsden. The view taken is that, when it is known that it will not be possible, for whatever reason, to run the normal set of services, passengers value the certainty of a temporary timetable rather than the uncertainty of turning up and not knowing which trains will run. The cancellations for that period are measured against the advertised temporary timetable. That is the case in the rest of GB, too, where extensive use of temporary timetables has been made on occasions. I will incur the convener's wrath if I go into the detail of that at great length, but you are quite correct in what you have said, Mr Lumsden.

**Douglas Lumsden:** Thank you. That is a good point to clarify.

**Kevin Stewart:** I left Aberdeen today at 5.57 am on a high-speed train and got in almost on time at Waverley. I understand that HST procurement is under way, so I will not ask about that. All I will say is that there are reliability issues with HSTs, so the sooner that happens, the better.

However, with regard to other reliability issues, there are delays on the lines that I use because of specific infrastructure failures; indeed, some happen quite often as a result of the signalling around Montrose. Are those things monitored to the degree that they should be, and does Network Rail, in its improvement programmes, react by replacing what are often seen by commuters as consistent failures?

**Fiona Hyslop:** You are correct to identify that there are different elements to reliability. Signalling issues were certainly affecting the Inverness line, in particular, yesterday, and the rapidity with which they are repaired is very important.

However, I think that your point is more about planned improvements. We put great emphasis on that in the funding, the strategy and the specification that we provide to Network Rail, but we do not micromanage delivery, because its responsibilities and internal management are still tied to its ownership by the UK Government.

As for improvements on the north-east line, we are looking at the Dundee and Arbroath area, in particular; I know that work is planned in that respect, and the issue is how we co-ordinate those planned improvements. I suppose that you would be better asking Network Rail how it manages its work, if delays as a result of signalling or other failures are regularly occurring in certain areas. That would be the sensible thing to do, and I am sure that it will look into the matter. Obviously, we can relay to Network Rail your particular interest in the Montrose area.

I do not know whether Bill Reeve has anything to add.

**Bill Reeve:** I am afraid that I have no specific statistics for the Montrose area, but I can confirm that ScotRail and Network Rail analyse patterns of failure and that investments are targeted at areas of known weakness.

With the convener's permission—I should have mentioned this before—I will point out that the other big source of delay is cross-border services. The committee may wish to be aware of some concerns that we have about the impact of the new LNER timetable from December, but that is perhaps a subject for a future arrangement. We are anticipating that that will have an adverse impact on ScotRail.

**Fiona Hyslop:** I have already made representations on the matter to the UK minister, who says that he will review it. However, if priority is given to cross-border lines, that has an impact on our ScotRail services and that will appear in the figures for delays that you have concerns about. We should all be keeping our eye on that.

**The Convener:** Are you finished, Kevin?

**Kevin Stewart:** Yes.

**The Convener:** Before we leave this subject, I have to say that I seem to have been looking at trains for as long as I have been looking at ferries, both in this and in the previous parliamentary session. I seem to remember four ministers coming in and justifying why Abellio should lose the contract on the basis that it did not meet its PPM targets—that was the reason given to the committee. Bill Reeve has given the main reasons for not meeting the target—there were six of them, I think—and the problems that ScotRail is facing are the same ones that Abellio faced. We now have fewer trains running and a lower performance than Abellio was achieving. Why is that good news for Scotland and Scotland's commuters, cabinet secretary?

**Fiona Hyslop:** We have more routes and increasing numbers of passengers. As far as recovery is concerned, we are likely to see even more positive figures this year.

With regard to performance, I do not see everything in a sugar-coated way; indeed, I was quite specific in my discussion with the deputy convener about our expectation with regard to the PPM. I would emphasise that our PPM is a joint one between ScotRail and Network Rail, and your question, convener, is on only one aspect of that, which is the performance of the operator.

As for the decision making around public ownership, the committee looked at the LCM, and I recall committee members of a certain party being opposed to the changes in terms of public ownership and the fact that it would no longer be about the public sector acting as an operator of last resort; instead, it could be an active decision to be made when franchises came to an end. That was on a UK-wide basis, but we had already taken the decision ourselves.

**The Convener:** I am still confused. We have fewer trains but more passengers, so people are using fewer trains. Therefore, it should be easier to—*[Interruption.]* Well, if there are fewer trains running and more passengers getting them, it means that more passengers are getting on fewer trains. My question is this: why is that not helping the figures?

**Fiona Hyslop:** I will certainly look at the statistics for the number of trains, but there is an issue with the length of trains. As many people will know, we have increased the number of carriages on trains on the west Highland line. I know from my own railway journey that there used to be four carriages, but they have lengthened the trains on the line. I can get into statistical areas—

**The Convener:** Cabinet secretary, I am very delighted to hear that, but I have a simple question to start off with: are fewer trains running on the

network in Scotland now than there were when Abellio was running the line—yes or no?

**Bill Reeve:** I cannot remember the precise number, but fewer trains—by a small number—are running today than before the pandemic period, when Abellio was in charge.

**The Convener:** So, there are fewer trains running—that is a fact.

**Bill Reeve:** That is correct, yes.

**The Convener:** There might be longer trains running, meaning that more passengers can get on them—I understand that. However, the timings for those trains should have improved if there is less congestion on the line, or have I got that completely wrong?

11:00

**Fiona Hyslop:** As we have heard, congestion can happen for lots of different reasons, not least cross-border or freight traffic, although there can be other issues. It is probably best to address those questions to ScotRail directly.

**The Convener:** I am not sure that that response has taken me any further. My premise is that, with fewer trains running, we should have greater accuracy on delivering trains within five minutes of their scheduled arrival time. However, we do not seem to have that, and you have said that we will not be in the position in which Abellio was with the PPM until 2027, which seems poor.

**Fiona Hyslop:** That is an assertion of opinion, as opposed to—

**The Convener:** Sorry, did you not say—

**Fiona Hyslop:** You are entitled to have an opinion—

**The Convener:** Of course, we are all entitled to our own opinion, cabinet secretary. My point is that you said that you will not reach your five-year target on PPM until 2027. Abellio was closer to reaching the figure that you have quoted for 2027 than ScotRail is at the moment. You have said that it will take another two years to get to that figure. Is that good news? How can you package that as good news?

**Fiona Hyslop:** Public ownership has been good news. I know that certain parties do not agree with that, and they are entitled to that opinion.

**The Convener:** I think that we will have to agree to disagree.

**Fiona Hyslop:** Yes.

**The Convener:** Monica Lennon has the next question.

**Monica Lennon:** I would like to ask questions about bus use. Although I might not go into the detail that the convener has tried to get into with some of the trains stats, by every measure that I have seen, there is a substantial long-term decline in bus use, whether that is in relation to patronage, mileage or the number of services that we have.

I know that you might want to reflect on the pandemic experience—indeed, we are seeing a slight return to pre-pandemic levels—but I was quite struck to read that bus use peaked around 2007-08 and that it is down by about 31 per cent since then. Why is that the case? What analysis has the Scottish Government done to look at that trend, which looks like a substantial long-term decline?

**Fiona Hyslop:** The committee will know that the privatisation of the bus system took place in the 1980s and into the 1990s. The Scottish Government is not in control of the bus system. No changes were made during the 1990s and into the 2000s by the then UK Labour Government.

In 2019, we took a collective decision in the Scottish Parliament to make changes to the bus regulatory provision by providing different options, such as bus partnerships and franchises. As the committee will know, because you have gone through all the legislation, all the relevant statutory instruments have been put in place to allow local authorities or regional transport partnerships to take more control of our bus systems.

I do not know whether Fiona Brown can give us an analysis of people's behaviour over that time; it will certainly be related to the number of routes that are available. For those private companies that are operating the majority of the routes, some routes are more profitable than others.

The experience of the pandemic had a very severe effect on bus patronage, more so than on other modes of transport. On the return to pre-pandemic levels, I am aware that the introduction of free bus travel for under-22s, particularly coming out of the pandemic, was seen as a helpful stabiliser to the income levels of bus companies that could otherwise have been in an even worse situation. I have reflected on the fact that, coming out of the pandemic, a lot of the bus patronage from older people was significantly reduced. We know that because we can see, particularly from concessionary travel use, that patronage is starting to increase, which is a good thing.

I have been cabinet secretary only for the past two years, and I am not quite sure what happened from 2007-08 onwards, whether it was more people increasing their use of cars or whatever. We should keep a close eye on the change in patronage. Finding ways to encourage people to use buses is important. Reliability and affordability

are important. That is why the bus infrastructure fund, which is part of the active and sustainable travel funding, is important. We know when buses are reliable because there is greater communication now about when buses are likely to turn up through the apps and so on. People also have to wait for buses outside, and the bus infrastructure fund will be used by some local authorities for shelters and so on. That is particularly important in rural areas, where timings and so on might be variable.

I will ask Fiona Brown to say whether there is any analysis of what has happened over that extensive 20-year period.

**Fiona Brown:** What the cabinet secretary has said is set out in the national transport strategy. The decline in bus use predated the pandemic, but the pandemic exacerbated that decline through changes in people's travel behaviour, an increase in their dependence on cars, changes to their shopping and commuting habits and other lifestyle changes.

You noted the contraction in services and increased costs of services in the years since the pandemic. There have been other external inflationary pressures on the cost of running transport services, as well as skill shortages, and they have both impacted commercial services and locally subsidised or contracted services.

**Monica Lennon:** We are seeing a decline in the number of bus services. The committee has talked previously about bus deserts, which are parts of the country where there are no longer buses that are accessible or easy for people to use. What is driving that reduction in the availability of bus services? Is the number of bus services going down because there has been a decline in patronage, or is patronage going down because there are no bus services? What deep analysis has been done of that?

**Fiona Hyslop:** You have just explained it. It is a vicious cycle where reduced patronage leads to fewer services and fewer services leads to reduced patronage. That needs to be addressed by local authorities and regional transport partnerships using the powers that they have to improve that in a more strategic way.

There is also a point about how the costs of services are kept low. Obviously, there are fuel costs, but there are also bus driver issues that I think still exist in some parts of the country, although they might not be as severe as they were perhaps two years ago. Bus driver availability also impacts different points on routes. We have to break out of that cycle.

**Monica Lennon:** I have some questions that I will hold, and I know that Mark Ruskell also wants to come in. Cabinet secretary, you mentioned the

bus infrastructure fund. Is that a multiyear fund, and what can we expect in future budget allocations? Do you believe that it is sufficient to deliver the step change in on-street bus priority measures that will help to deliver a modal shift?

**Fiona Hyslop:** There can be a real shift in reliability because of the bus infrastructure fund leading to the provision of bus priority lanes and so on. We have seen the success of that in the reliability of bus services where there are such measures.

I would also support and echo your request for multiyear funding but, as you know, we are in discussions about multiyear funding in our spending review, our budget is coming up and there is the small detail of an election coming up, which affects future planning for the incoming Government. I am keen for us to have multiyear funding, and the convener was right to identify the fact that we could not follow through with all the funding for active and sustainable travel that we wanted to last year. We do not get as much value for money if we take a stop-start approach to these things. Local authorities want continuous rolling programmes because it helps with aspects such as staffing and delivery, and that is true for active travel routes as well as bus infrastructure.

As part of our climate change plan, if we want to see a shift to greater use of public transport, for lots of different reasons including emissions reduction as well as health and wellbeing and the vibrancy of communities, we need to give some certainty, because that will mean better delivery and better value for money from construction and design and so on. I would like to say yes, but that is a question for the Cabinet Secretary for Finance and Local Government rather than me.

**Monica Lennon:** No, that was helpful; I think that you gave a really good response. Do we have enough champions for bus across the Government? It is not all down to you, cabinet secretary, so do you feel that you are getting a bit of solidarity from colleagues?

**Fiona Hyslop:** I think that every MSP would say that bus is one of the issues that come into our inboxes regularly—everybody, individually, can see that. Anything that the committee can do to encourage members to be champions for bus, across the parties and with our other MSP colleagues, would be welcome.

On the change that we have to make, the vast majority of journeys on public transport are made by bus, and we have to encourage more people to make bus journeys. That means having more bus routes available that are meaningful for people based on modern-day travel patterns. I am afraid that, in some parts of the country, bus routes do not reflect what modern needs are. Increasingly,

we see that the routes go from east to west across the central belt, whereas we need to have more routes going from north to south within Lanarkshire and West Lothian to reflect people's patterns of need for leisure and for work.

**Mark Ruskell:** I will turn to the route to franchising. Obviously, SPT is now on that pathway. When the committee last looked at that, the Minister for Agriculture and Connectivity, Jim Fairlie, said that by the end of 2024 we would have sight of the statutory bus franchising guidance and also the memorandum of understanding on the bus franchising panel and how it would operate. We have not had that. When can we get it?

**Fiona Hyslop:** Jim Fairlie is leading on that. The guidance is currently undergoing final engagement with the key parties that are involved in the franchising process, which include the Competition and Markets Authority and the office of the traffic commissioner for Scotland. Once that is completed, that guidance will be shared with the committee and others, including local transport authorities. The final timescales for publication will depend on the capacity of those stakeholders to consider and engage with the draft document; it will be issued in draft form.

You referred to the memorandum of understanding, and we are currently working with the UK Government on the costs of running the independent approval panels for the franchising process. Subject to negotiations being agreed with the UK Government, we will provide the committee with a copy of the memorandum of understanding for its awareness. We are in the final stages of that process.

**Mark Ruskell:** Right, but that was the message that we got a year ago—that we are in the final stages and that there needs to be further consultation—so is it fair to say that it is now a year behind? What is a realistic timescale—will we get it in December, January or February or at dissolution?

**Fiona Hyslop:** I am very keen that it is delivered, because we are now in a situation in which it is absolutely needed. However, parallel processes were taking place and, for example, SPT, which is the authority that is leading on this, has only just come to its conclusion.

We were being told when I was sitting where you are sitting, as a member of the committee, that the draft guidance would be given to us then, so I do not want to speculate on how delayed it is from when it was originally promised. The delay was extensive—it was not only a year—but there is a lot of work involved. We have to consult key people, particularly those in the Competition and Markets Authority.



I know from talking to colleagues in other parts of the UK that the threat of legal action was very real—in fact, it was realised in some instances. Therefore, getting it right and ensuring that guidance helps to avoid any such situation is very important.

**Mark Ruskell:** I would hope that, sitting where you are sitting now, you would feel a little bit more empowered to deliver some progress, notwithstanding the challenges that you have laid out.

There is a huge frustration about how slow the process is in Scotland. We have heard already that the UK Government has announced £15.6 billion to be put into public transport. Many of the metropolitan regions in England will be looking at franchising and municipalisation as a way to develop their bus services that are in the public interest. I do not want to get into budget decisions that are yet to come, but I presume that we would expect Barnett consequentials as a result of that announcement of £15.6 billion in England. Do you see franchising and municipalisation as important parts of the transformation in bus services that we expect to see funded in the next budget?

11:15

**Fiona Hyslop:** Unfortunately, what we received from the UK Government's spending review was not as positive as you are making out. In fact, the sum is negative in resource terms, particularly for transport, although it is positive for capital. Another concern about the UK Government spending review is that the health capital consequentials are negligible. We anticipate that the UK Government will finance health capital through resource funding, which has consequences for how we then manage our budget. I am trying to dampen your expectations.

**Mark Ruskell:** Or manage my expectations.

**Fiona Hyslop:** I am trying to get you to manage your expectations, because people should be clear that there is not a huge amount of funding.

There are different stages to franchising. The rest of the UK is behind where we are, but we know from experience that it can take a long time. The process in Manchester took six or seven years and involved a legal challenge. We are trying to ensure that whatever comes can be as robust as possible. The proposals will come from SPT and others and must be as strong as possible.

Resourcing will be subject to the plans that come forward. We have yet to see a plan from SPT but anticipate that the company will provide a great deal of the finance. It may also ask for

money from Government, but I do not know what that ask will be yet.

**Mark Ruskell:** One policy that was agreed in the most recent budget, for a very simple price of £2 million, was a regional bus fare cap, with a date of 1 January next year for when that would be operational. We have just three months to go, but my understanding is that there has not yet been a discussion with the sector about introducing that cap. I also do not think there has been any discussion with individual regions that have indicated an interest in running a bus fare cap about being ready to roll that out on 1 January. Are we still on track for that? Is it going to happen?

**Fiona Hyslop:** it would be wrong to say that there has been no discussion. There has been some engagement on that proposal and we still intend to deliver that. I would be happy for my colleague Jim Fairlie to give you an update on where we are.

**Mark Ruskell:** You are fairly confident that a bus fare cap will be in operation in one region of Scotland on 1 January.

**Fiona Hyslop:** As you clearly said, we have to engage not only with local and regional transport partnerships but with the bus sector and the private companies that operate our bus services. That engagement must take place so that we can deliver on the commitment that was made, which it is our intention to deliver.

**Mark Ruskell:** Okay, but we have only a few weeks left before that date. There we go. I hope that the bus fare cap does get delivered.

**The Convener:** A few other people want to question you about buses, cabinet secretary. I will bring in Monica Lennon, to be followed by Bob Doris.

**Monica Lennon:** It is a pity that we do not have much more time to talk about this subject. I know that it has been discussed by the Citizen Participation and Public Petitions Committee, and Mark Ruskell has outlined the frustrations of campaigners and others about the delay in producing the statutory guidance that the committee—and the country—want to see, which we have been led to believe is really important.

There is a commitment that we will see guidance soon, but I do not quite understand what you said about funding, cabinet secretary. We have heard in the chamber, and elsewhere in Parliament, that the UK Government has made a substantial investment available to some regions in England, but I am not clear how the Barnett consequentials would be used.

We know that there is huge public support for franchising. SPT has published its ambitious plans, and there is concern that some of the

delays are preventing other regional transport partnerships from going ahead with their proposals. We understand that some of that sits with your ministerial colleague Jim Fairlie. However, it feels as though there is a lack of leadership on this. What can you say today to really reassure people—those communities who feel underserved—who want to use bus services and who want more certainty? What I am seeing from my mailbox, on the street and in the Parliament is that people are lobbying and protesting about the issue. Campaigns such as better buses for Strathclyde and Get Glasgow Moving are grass-roots led—that is where the urgency seems to be coming from. So, in the Government, who are the champions who are taking things forward?

We have talked about the delay in the guidance, but what, really, is causing the delay? Do we need to amend the legislation?

**Fiona Hyslop:** The delay has not prevented the Strathclyde Partnership for Transport from publishing its proposals. It has done that, which is good—and that is the movement. The power is with our regional transport partnerships. Unless you want a command-and-control approach to the bus system in Scotland, you have to provide the legislation, which we have done, and the statutory instruments, which we have done. We are ahead of the UK on this, and, with regard to the investment and the spending review, I have been told that any UK funding will not be available until 2027-28. Therefore, it is not the case that, somehow, something is going to happen immediately elsewhere and so we are behind—we are ahead of many other parts of the UK with regard to our legislation and statutory instruments. I have shared my frustration about the guidance, because I think that it is needed and will be helpful.

However, on your assertion about other regional transport partnerships, I would be very interested to hear whether there are other regional transport partnerships that want to pursue franchising specifically. A number of other regional transport partnerships have looked at other systems under the legislation, such as bus partnerships. I am not aware of this being an issue, so, if a regional transport partnership has come to you saying that it wants to move ahead with franchising and has not done so, I would be very keen to hear about that. The partnership that I know is very keen is SPT, and it is driving that approach forward. As you say, that covers the whole of Strathclyde, so it needs to take a number of councils with it on delivery.

**Monica Lennon:** Yes, and that is really positive and I commend SPT for that. However, this has been a time of uncertainty. We have heard about

guidance being delayed not by one year but by six years. From where I am sitting, it feels as though we are getting a lot of spin from the Government about Scotland being way ahead of everyone else when, actually, when we speak to constituents, grass-roots campaigners and regional transport bodies, they are saying to us that we are behind. There is a bit of a disconnect here, cabinet secretary.

**Fiona Hyslop:** Obviously, campaigners want to campaign—that is what they do. On the idea that the guidance is six years out of date, Monica, I think that you are perhaps stretching things. The legislation was passed by this Parliament—

**Monica Lennon:** No, I said that there has been a six-year delay in delivering the guidance—

**Fiona Hyslop:** No, there was not. The legislation that enabled franchising was passed by the Parliament in 2019, which was good. The statutory instruments that are required to put everything else in place have come through this Parliament and are already delivered. That is a good thing. With regard to the choices that are available to local authorities and regional transport partnerships, Strathclyde Partnership for Transport, in particular, has done the work. At the last regional transport partnership meeting, I had a presentation from SPT on what it is proposing. It has agreement from all the local authorities, which is a strong position to be in, but it has to do that in a way that is robust and does not leave it in the situation that has happened elsewhere of there being a legal challenge from private operators that do not want to co-operate. That is a very real risk, and SPT is very conscious of what it needs to do. You and campaigners are criticising Strathclyde Partnership for Transport mistakenly when it has actually produced what people want it to produce, namely a blueprint to take things forward.

**Monica Lennon:** To be clear, I do not think that the campaigners I mentioned are criticising SPT; they have welcomed the recent progress. I think that I will hand back to you, convener, because the cabinet secretary and I have different perspectives today. However, finally—I know that Mark Ruskell covered this in his questions, but for absolute clarity—when will the statutory guidance be published? Can we get a date, please?

**Fiona Hyslop:** I cannot give you a date, because the consultation will be with the people who need to be consulted—the CMA and the office of the traffic commissioner for Scotland. It will be published in draft with the local authorities and the RTPs who want to use it to make sure that it has everything that they want in it.

When we have a date, we will give it to you. I understand the frustrations, but the idea that somehow that has been holding things up is

wrong. It clearly has not. It will be helpful for implementation. However, as I said, I have not heard that any other RTP is concerned about this issue. As I said, SPT has gone ahead with its consultation. I am not quite sure where that is coming from.

Convener, I am happy to move on to other areas.

**Monica Lennon:** The key thing is that we want to see the franchising being implemented right now. Some progress has been made, but it still has not become a reality, so the dates are important.

**The Convener:** Thanks, Monica. Bob, did you want to ask some questions?

**Bob Doris:** Yes, convener. However, I hope that you do not mind me saying at the start that the best way that MSPs can support bus services is to use them. As a non-driver, I frequently use buses with my family in Glasgow. The best way that we can support buses is to drive patronage up and not down.

I will turn to SPT and its proposals. My understanding is that its new strategy was published in September, and it included progressing with franchising, for which it intends to have costings in December this year. It looks as though its plans are on track. However, I have also seen it reported from some SPT projections that the annual running costs of franchising—not the set-up costs—could be up to £85 million or as low as £45 million per year, so there is a massive range in costings and in the expectations of what franchising might look like in practice. One commercial operator speculated that it could be hundreds of millions of pounds per year.

We can make the process as robust and detailed as we like and we can protect it against legal challenges as much as we like, but if the money is not there to deliver it, it ain't going to happen. Getting the money is a collective endeavour. The SPT has progressed with its proposals, but there are lots of other partners, one of which is the Scottish Government. So, my question is this: has there been any discussion with the cabinet secretary about how any of that might be funded?

**Fiona Hyslop:** As you said, SPT has not come up with what it anticipates the figure will be and what it will be able to publish with ministers. That will be part of its engagement, but it has to be a decision that is owned by the regional transport partnership, which is made up of all the local authorities in the Strathclyde area. It would have to look at the costings, and it is not there yet. That is how I would describe the situation.

**Bob Doris:** I get the complexities. Local authorities might look at franchising in a very different way to one another. SPT is trying to shepherd its proposals in a strategic and robust way with a clear business plan. Has there been any discussion at all between the Government and COSLA, local authorities or SPT about potential future costings and what the financing might look like?

**Fiona Hyslop:** I do not have any bus officials with me, because we thought that we were going to go into other areas and that we would be finished by now—I know that the committee might still want to go into other areas.

I have not had those discussions with SPT, and I lead on the budget areas. Unless and until we have a business plan, or even an ask, it is very difficult to say—it is all hypothetical. SPT cannot have those discussions until it has come up with its own costed plans.

**Bob Doris:** That is perfectly reasonable. I just wanted to put on the record that we could get the process perfect, but if there is no money to fund it, it ain't going happen anyway.

**Fiona Hyslop:** I think that everybody wants Strathclyde to be able to do what it wants to do in a positive way.

**Bob Doris:** That is helpful, thank you.

**The Convener:** We are definitely not finished yet, cabinet secretary, because we are coming on to a very important subject that is close to my heart, and you will not have to guess that it is ferries.

On 19 September, the committee met Peel Ports to discuss various matters, including the issues at Ardrossan. At that meeting, it was clear to me that what I had been led to believe in the Parliament about Peel Ports frustrating the purchase of Ardrossan was not true. Could you confirm that the Government has delayed the purchase of Ardrossan harbour on two occasions, on the basis that it is still trying to figure out whether Troon or Ardrossan should be the base for the ferry, or was it just on one occasion, but we were told two?

11:30

**Fiona Hyslop:** That is not true. I came into office well over two years ago and I can categorically say that that has not been the Scottish Government's position. We have wanted to see investment in Ardrossan; I have been clear about that, and that is my commitment.

I do not know what happened previously. Peel Ports might have been referring to a previous

situation, because I do not recognise the reflection.

Obviously, there are two sides to any negotiation. This is a live negotiation, and both parties to it will want to advance their own position. Until such time as that negotiation is settled, I do not want to say anything that would prejudice it.

**The Convener:** I do not think that it would prejudice the discussions over the purchase of the port if you were to clarify whether, prior to your time as cabinet secretary, any discussions took place about whether the base should be Troon or Ardrossan.

We also heard that Peel Ports had offered to invest in Ardrossan to the tune of £170 million-ish for the improvements to the quayside to allow a 102m ferry into the harbour, because the berth was only 97m. Is that true?

**Fiona Hyslop:** I do not recognise what you are saying, convener. Originally, only the council and Peel Ports were meant to carry out the investment. There were challenges in their doing so, which was why, eventually, the Scottish Government came into the task force as part of that partnership.

The level of investment required to reach the full amount would have been substantial and I do not think that Peel Ports was ever going to invest at the level that was required at that point. It is a private harbour, so that is always the challenge.

Chris Wilcock has been around a bit longer than I have. Do you want to reflect on that question, Chris?

**The Convener:** If you have been around longer than the cabinet secretary, you can reflect on both issues. Sorry, cabinet secretary—I think that it is entirely appropriate that I ask those questions. The committee undertook a visit and we were given specific information. If that information is not correct, that is quite serious, as far as I, as convener of the committee, am concerned. However, I am happy to hear from Chris Wilcock.

**Chris Wilcock (Transport Scotland):** From my involvement, I note that the consideration around whether it would be Troon or Ardrossan happened way back, and the decision was then taken to retain Ardrossan.

**The Convener:** So, there was a discussion on whether Troon or Ardrossan—

**Fiona Hyslop:** I am trying to remember. Was there not a question mark about the issue way back in 2017-18, when Humza Yousaf was transport minister? At that point, work was carried out and Humza Yousaf made a commitment, even at that time, that Ardrossan would be the place

from where the ferries would operate. The issue is quite historic.

All that I am saying is that I am the person who has given the commitment that we will purchase the harbour, to ensure that we get the investments that we need.

**The Convener:** I would be interested to hear Chris's point.

**Chris Wilcock:** From that original point—in 2015 or 2016, I think—ministers were involved in looking at the two options and the decision was made to retain Ardrossan. As the cabinet secretary has also articulated, there was an assumption that the project would be entirely funded by Peel Ports and North Ayrshire Council. However, the project changed over time and the scope increased, at which point Scottish Government funding was discussed.

Since that time, we have been trying to get to an agreement on all the funding streams and the legal agreements that sit around them. In more recent times, just before the cabinet secretary's announcement, it looked as if that would not be achieved and it would not be possible to make that funding package stack up.

I do not recognise any suggestion of an investment of £170 million by Peel Ports. It had said that it could have reopened the package, but that would have resulted in additional charges, which it would have had to recoup in some way. That original proposal was no longer possible, which is why we have moved to a focus on the purchase.

**The Convener:** Okay. The other thing that we heard when we met Peel Ports was that the heads of terms had been agreed for the purchase of Ardrossan and that it was just a question of transferring the money, at which point it would become the Scottish Government's port. Is that the case, or not?

**Fiona Hyslop:** The report from CMAL—which is negotiating on our behalf, as the appropriate body to do so—is that the discussion on the heads of terms is well advanced. Clearly, some of the property—that is, the assets—has not been the subject of any transactions since the 19th century, and when it comes to the final agreement we want to ensure that the detail of that is all provided for. I think that Peel Ports would reflect that the process needs to be done properly and negotiated in a way that delivers a good contract. That is what we are proposing.

Why is that important? It is important, because there is a limit to what the Scottish Government can invest in any private organisation. The limit is about £60 million—

**The Convener:** I am not disputing that. What I am trying to work out is this. We were very much told that the heads of terms had been agreed. Having done purchases of land in my previous profession, I know that it can be done quite quickly. I am not asking what the price is, but if this were to be agreed today, would you have the money to buy it tomorrow? Could it be transferred that quickly? That is normally the way it works.

**Fiona Hyslop:** As far as that sort of detail is concerned, it will be ready when it is ready. The heads of terms are in a good place. As for the transfer of funds, I reported to the committee that I had secured funding in this year's budget to ensure the price and the purchase of Ardrossan harbour.

**The Convener:** Finally, you might not recognise the figure of £170 million, but it was quoted some time ago as what Peel Ports thought that it would cost to increase the size of the pier to take a bigger boat than had previously moored there. As part of your costings for buying the port, and as part of the business case, you will have a cost for doing the repairs and regeneration required at Ardrossan. What will it cost the people of Scotland to get the port fit to take a ferry that was ordered over nine years ago?

**Fiona Hyslop:** It is important that immediate work be carried out. There will be work carried out in the short term for immediate use, particularly for MV Caledonian Isles, which I am sure that people will be pleased to hear has returned. There are also medium-term and longer-term aspects. One issue was that only the bare basics might have been done previously, whereas we think that more extensive work needs to be carried out to ensure that the port is in a good place for the longer term.

I am not going to give you a figure, because prices will have changed, too. One of the issues for the task force was to revisit the different prices that had come forward at the time. With regard to development of the business case, we are obviously aware of the degree and level of what is involved, but it all depends on the different stages—the work at Ardrossan will have to be done in stages.

**The Convener:** I just want to push on that slightly, if I may, cabinet secretary. In a commercial deal, part of it will be about recognising the amount that you will have to invest in the asset to make it work. I am not convinced that you have those figures in front of you—or do you have them to hand?

**Fiona Hyslop:** They would have been put forward during the business case development, and the funding to go forward would have been authorised. I will try to come back to the committee with figures for the development that are as up to

date as we understand them to be, but, as you will be aware, there are different aspects to the harbour.

**The Convener:** I would accept short, medium and long-term plans for capital investments, but you will still have a base price for each of those aspects at the time that you put forward the business case, and that will be based on today's figure, with a potential inflationary rise over a few years. That is the way that it would be done commercially, so I would be very grateful if you could provide that information.

Douglas Lumsden has some questions, and then I will bring in the deputy convener.

**Douglas Lumsden:** Last week, the sole islander on the board of CMAL—Murdo MacIennan—was ousted. Do you have any more details that you could share with us of why he was removed? Are there plans for another islander to be on the board?

**Fiona Hyslop:** Absolutely. It is really important that we have islanders on the board of our organisation, so that will happen.

I do not recognise the terms that you have used. As everybody will understand, board appointments are made in accordance with ethical standards and all the rest of it, and it is made quite clear that reappointments cannot be assumed by anybody. It is important that the board reflects what is needed at the time, both in personnel and in other areas.

The answer to your other question is that, yes, there will be an advertisement very soon, I hope, to ensure that we continue with island representation.

**Douglas Lumsden:** But it was reported that Mr MacIennan was due to have another term, and that was changed. Is that the case?

**Fiona Hyslop:** Issues around board appointments are normally confidential. I do not know who has reported what and when. I would be concerned, not least for the individual, if rumour or gossip has turned up in reports. I do not think that it is fair to characterise it in that way.

**Douglas Lumsden:** It was reported by the BBC that he raised concerns about civil servants from Edinburgh doing a launch and that, after that, his recommendation for reapproval was withdrawn. Was that not the case?

**Fiona Hyslop:** The BBC can sometimes get things incorrect. It did so not least, and quite seriously, when it said that there was a failure to complete sea trials for the MV Islay. That was very serious, so we had to get that amended.

I do not, in fact, have any civil servants in Edinburgh. My civil servants are based in Glasgow. That is one factual inaccuracy. Further,

the formal invite to carry out that function was given to a well-respected and well-known islander, and I am glad that she did it. Such speculation also diminishes her role.

Gossip should not end up in reports that I then get asked about. I will stick with the Ethical Standards Commissioner and the correct way to go about these things.

**The Convener:** The deputy convener has some questions.

**Michael Matheson:** I will follow up on the issue around Ardrossan harbour and Peel Ports's behaviour. It is clearly seeking to get as much taxpayer money as it can for an asset that it has invested nothing in for the past couple of decades, beyond the odd essential bit of work.

Can the cabinet secretary inform the committee whether Peel Ports provided CMAL with full access to the data bank for the port, in order to ensure that any sale of the asset is a clean sale, with no small bits of ransom strip being held by Peel Ports for it to return to in order to try to get more taxpayer money out of us at a later date?

**Fiona Hyslop:** I will be cautious, because this is a live negotiation and I want it to be successful. I will therefore not pass any comment. Members may, but I will be as objective as I can be in terms of where we are.

As discussed with the convener, we are in a good place with the heads of terms agreement.

In answer to Michael Matheson's questions, yes, there is access to the data bank and, yes, I think that a clean approach that allows for no hangovers that could be problematic in the future would be desirable.

That is the detail that needs to be finalised before any purchase can take place. Michael Matheson's analysis in relation to why that is important is correct, and it is part of the detailed negotiations that are going on just now.

**Michael Matheson:** Is Peel Ports committed to a full, clean sale of the asset?

**Fiona Hyslop:** That would be a desirable outcome. I will not comment on two negotiating bodies when there is a live negotiation going on.

**Michael Matheson:** I would find it hard to believe that Peel Ports would not want to facilitate a clean sale, but we will leave it there.

**The Convener:** I am looking around to see if there are any other questions.

For the last series of questions, cabinet secretary, I ask you to cast your mind back to June 2023, which is just before you became a cabinet secretary. You were then part of this

committee. On 26 June 2023, it produced a report on "A Modern and Sustainable Ferry Service for Scotland", which I am sure you remember. I draw your attention to paragraph 193, which states:

"There is widespread agreement that the current tripartite arrangement for managing Scottish Government-funded ferries is not working effectively for the Clyde and Hebrides and is not adequately serving ferry-dependent communities. Change is needed."

Paragraph 198 then states:

"The Committee recommends the Scottish Government should give consideration to a CMAL-Transport Scotland merger, to create a "Ferries Scotland" as an arm of Transport Scotland. This could streamline decision-taking."

That followed on from a report by the Rural Economy and Connectivity Committee in 2020 that said that the tripartite agreement was not working. What are you doing about it, cabinet secretary?

11:45

**Fiona Hyslop:** I have been making sure that, in the meantime, it has been working. The parties have worked together in a constructive way, as has been identified by those who work with that tripartite combination. The joint working between CMAL, CalMac and Transport Scotland officials on the in-person consultations and those organisations all coming together with one voice is really important.

It has been a busy year for ferries, not least given the commissioning and procurement of almost a third of the fleet. CalMac, as I have recognised, now has a direct award. A lot of work by Transport Scotland colleagues and CalMac was involved in producing that.

I have always said that I would be open to a change in governance arrangements. Had such a change happened during the two years since I came into post, it would have disrupted a really important period of intense work with everyone. I was a member of the committee when it took extensive evidence for the ferries inquiry. I remember Monica Lennon and I going on a very informative visit to the Western Isles together, which was before you joined the committee.

**The Convener:** No, it was not. I took part in that inquiry as well, cabinet secretary.

**Fiona Hyslop:** No, you did not. It actually started with your predecessor.

**The Convener:** Oh. Right.

**Fiona Hyslop:** It was quite a long inquiry.

**The Convener:** We have had more focused ones since then, cabinet secretary. *[Laughter.]*

**Fiona Hyslop:** Well, I was not the convener at the time of that inquiry. For the record, I need to recognise that, although I took part in all the

evidence sessions, I was not involved in the final drafting of the ferry report, which was a very good report. A lot of the recommendations in that report are now evident in the award that has just been presented. We sent the committee a letter explaining that, which went through, point by point, some of the things that the committee recommended, which have now been given effect.

I have said this before and I will say it again: I strongly believe in the Parliament's committee system. That report provides a good example of where a number of committee recommendations have been realised in the delivery of the ferries contract.

**The Convener:** Should I be getting the impression that you think that CMAL's time is not up yet?

**Fiona Hyslop:** CMAL's function is absolutely essential. I am open to considering whether its governance arrangements could be handled by bringing different bodies together. Now that we have a direct award for at least one of the partners, we are in a position to more readily consider what we might want to do going forward. I am not closing off that option. Now might be a more appropriate time than any point over the past two years to look at that.

**The Convener:** To enable us to continue to look at it, I want to raise the issue of CMAL holding CalMac's pensions. There are problems with that. The deficit in the CalMac pension fund was agreed to be a problem as far as merging CMAL with Transport Scotland is concerned. Are you sorting that out, so that CalMac will become responsible for its own pensions?

**Fiona Hyslop:** There is a serious issue right across Government in that we need to make sure that all pension schemes run by public bodies are in a good state. I worked in pensions a long time ago, and I merged some of the first organisations back in the 2007-09 period. With any governance and with any organisation, my advice has always been to get pensions sorted for everybody, because the security of employment and pensions is vital for any organisation. Especially when an organisation is busy procuring a third of our fleet and doing extremely good work in negotiating Ardrossan and other aspects, you need to make sure that its staff are looked after and that you give them confidence in the future.

**The Convener:** I totally agree. My point is that CMAL is holding pensions that are the responsibility of CalMac, as I understand it, and there is a deficit in the pension fund. I am asking you whether that is going to be resolved in the short term.

**Fiona Hyslop:** I do not want to go into too much detail, but I think that the situation has improved.

That does not mean that there is not an issue, and I am very conscious that you have to look at it. If you are testing whether I am aware of the different things that matter for any future arrangement, including pensions, the answer is yes.

**The Convener:** Good. The issue will probably not be resolved before I leave the Parliament, so it is on the record that I have at least tried to get it resolved.

Unless there are any other questions from the committee, that brings us to the end of this session on transport. It has gone on slightly longer than you might have anticipated, cabinet secretary, but that is probably due to your huge, wide-ranging portfolio—I do not think that the committee can be blamed for that.

We will look at some subordinate legislation next. Before we do that, I will briefly suspend the meeting, because the session has been slightly longer than anticipated.

11:51

*Meeting suspended.*

11:56

*On resuming—*

## Subordinate Legislation

### Producer Responsibility Obligations (Packaging and Packaging Waste) (Amendment) Regulations 2025

**The Convener:** Welcome back. The third item on our agenda is consideration of a consent notification relating to a proposed UK statutory instrument. The instrument would amend the Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024, on which we took evidence on 3 September last year.

The amendments would enable the appointment of a producer responsibility organisation, a process that involves the UK Government legislating in a devolved area. The Scottish Government has said that it is content with the UK Government doing so in this case, and the reasons for that are set out in the notification that we have received. The committee's role is to decide whether it agrees with the Scottish Government's decision. We can express a view both on whether we agree in principle to the UK Government legislating in this area and on whether we agree with the specific manner in which it proposes to do so.

If we are content for consent to be given, we will write to the Scottish Government accordingly. In doing so, we have the option to draw matters to the Government's attention, pose questions or ask to be kept up to date on particular matters. If we are not content with the proposal, we can make one or two recommendations.

It looks as though no member wishes to express any views on the instrument.

It is suggested in our meeting notes that, if we are content to agree to the instrument, we might pose the following questions. What functions of the scheme administrator might be delegated to the new PRO? How will the governance of the PRO reflect or ensure consideration of Scottish interests and circumstances? Are the proposed changes to modelling local authority costs expected to significantly impact the estimates of the funds that will be made available to Scottish local authorities? And has COSLA raised any concerns? Those questions seem relevant, but that does not affect the fact that, at the end of the day, we will probably agree to the instrument.

Is the committee content that the provision that is set out in the notification should be made in the proposed UK statutory instrument?

*Members indicated agreement.*

**The Convener:** Are members happy to raise the questions that are posed in the paper?

*Members indicated agreement.*

**The Convener:** We will write to the Scottish Government. Based on that decision, is the committee happy for me to sign the letter to the Scottish Government on behalf of the committee?

*Members indicated agreement.*

12:00

### Motor Vehicles (Competitions and Trials) (Miscellaneous Amendment) (Scotland) Regulations 2025 (SSI 2025/245)

**The Convener:** Our next item of business is consideration of a negative SSI, the Motor Vehicles (Competitions and Trials) (Miscellaneous Amendment) (Scotland) Regulations 2025. These SI titles get snappier all the time.

The instrument is laid under the negative procedure, which means that it will come into force unless the Parliament agrees a motion to annul it. No such motion has been lodged, but the Delegated Powers and Law Reform Committee has drawn the instrument to the Parliament's attention under reporting ground (i)—defective drafting—and also under the general reporting ground in respect of two further points.

The defective drafting relates to how different types of motor vehicle events are regulated. The DPLR Committee noted that races or trials of speed are authorised and regulated under one set of regulations—the Motor Sport on Public Roads (Scotland) Regulations 2019—whereas other types of competitions and trials are regulated under the Motor Vehicles (Competitions and Trials) (Scotland) Regulations 1976. The instrument amends the competitions regulations by designating four rallies as specified events. However, the Government has now acknowledged that it is the motor sport regulations that should have been used, and it has said that it intends to introduce amending regulations urgently.

The DPLR Committee also reported two more drafting issues: first, the first rally is misnamed in the instrument, as the Scottish Government has now acknowledged—it is not the Robert Albert Clark rally but the Roger Albert Clark rally. The Scottish Government has undertaken to correct that by amending the instrument. Secondly, the committee queried the use of the phrase “public way” instead of “public highway”. The Scottish Government says that it considers the drafting to be clear but will reflect further on whether greater consistency would be preferable.



It looks as though no member has any comments on the instrument, so I invite the committee to agree that it does not wish to make any further recommendations in relation to it but acknowledges those of the DPLR Committee. Is everyone happy with that?

**Members** *indicated agreement.*

**The Convener:** Again, I will sign the letter relating to that decision.

We will now move into private. I put on record that Monica Lennon will not take part in item 7 and that we expect Labour Party substitute Sarah Boyack to attend in her place.

12:02

*Meeting continued in private until 13:16.*



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