The paper provides a summary of the evidence submitted to the Committee.

**Recent Committee work on Ferries**

On 30 May 2018, the Committee [took evidence on ferry services](#) from CalMac Ferries Ltd.

At its meeting on 27 June 2018, the Committee agreed to focus its budget scrutiny on investment to support Clyde and Hebrides ferry services. As part of its budget scrutiny, the Committee launched a survey and call for views.

The survey and call for views closed on Friday 7 September. The Committee received 282 responses to the survey and 15 written evidence submissions.

**Summary of survey responses**

Most respondents (85% or 204 respondents) to the Committee’s survey said they did not think the current and proposed level of investment in new ferries and port infrastructure was enough to ensure resilience of the CHFS network in future years.

Respondents raised the following key points:

- Breakdowns and service disruption due to an ageing fleet
- Lack of resilience due to the lack of spare vessels
- Lack of vessel capacity for vehicles
- Investment not matching the Scottish Government’s ambition for increased tourism
- Investment not sufficient for long-term sustainability of services
- Insufficient integration with mainland transport infrastructure
- Lack of resilience in poor weather.

**Potential impact of underinvestment**

In response to the question ‘How might island life be affected, particularly access to essential services, if Clyde and Hebrides ferry services are not appropriately funded?’, many respondents pointed out that island life was already being affected by underinvestment in the CHFS network.

Respondents also identified the following potential future impacts:

- Falling island populations
- Socio-economic decline
More expensive living costs
Difficulty accessing healthcare
Access to basic essentials food/fuel
Fall in tourist trade
Problems for farmers getting produce/livestock to market
Problems attracting healthcare professionals and teachers.
Inability to commute to the mainland for employment and school
Difficulty in attracting and retaining young people to the islands

“The Islands would slowly die, private individuals would move away for school, work, hospitals and medical treatment and to be sure they can have all they need. Tourists would not come to places that were difficult to get to on an unreliable service with locations that had poor facilities.”

“Our lives will become much harder Reliable frequent ferries are a lifeline. We depend on food deliveries daily and access to travel opportunities to main land centres is vital for healthcare and communication with family members. Without decent ferry services we will be cut off from the outside world... and tourism, which is vital for our economy, will die”

Respondents from the Isle of Cumbrae and Arran noted the importance of ferry services for commuting. For example:

“The Isle of Cumbrae is unique in that it has a “commuter” ferry service with people traveling to and from the island on a daily basis to their employment, not to mention secondary school pupils who travel daily to Largs High School by ferry. If the ferry service was not appropriately funded this would be in danger young families to leave the island populated by the retired and unemployed.”

Some respondents said that underinvestment in lifeline ferry services was against the ethos of the Islands (Scotland) Act 2018. Written evidence submitted by North Ayreshire Council pointed out that the Act:

“requires relevant authorities to have regard to island communities in carrying out their functions. This includes the production of island communities impact assessments in relation to policies and strategies of services which are likely to have an effect on an island community which is significantly different from its effect on other communities. It also includes the provision for Scottish Ministers to undertake such assessments retrospectively in relation to existing legislation or national strategies.”
Investment priorities

The Committee’s survey asked what level of priority the Scottish Government should give to funding the CHFS within the overall budget. 76.5% of respondents felt that it should be given high priority, 21.4% medium and 2.1% low priority.

Respondents stated the following key reasons for their answers:

- There has been a prolonged period of underinvestment
- Ferries should be considered as a continuation of the road network
- Islanders should not be discriminated against due to location
- Islanders have no alternative means of travel compared to mainland communities
- There is a need for more investment in public transport links and more efficient timetabling.
- Ferries are a life-line service
- The islands are a key component of Scotland’s economy, particularly for tourism.

A dominant theme of responses was that there were no transport alternatives to ferries for island communities and that ferry services were essential for day-to-day life.

“Mainland Scotland is linked to all other parts of the country by roads. The life-line ferry services should be regarded as a continuation of the road system. By accepting this principle islands are put on a level playing field with the rest of Scotland thereby allowing island communities to contribute fully to the national economy.”

“These are lifeline services which in most cases have no alternatives. If a train is cancelled or road closed it might be inconvenient but there are alternatives. The economic importance to business and jobs makes the difference to these communities existence or not”

One respondent made the comparison that ferries are “as important to islanders as the A9, the M8 and the Forth bridges are to people on the mainland”.

Ferry Procurement

Written evidence submissions raised broad concerns over long-term resilience and investment level. Evidence submitted by Audit Scotland states that there are currently 32 vessels on the CHFS network, with an average age of around 22 years. Ten of the vessels are over 30 years old. Older vessels are more expensive to maintain, are more likely to break down and will need to be replaced in the next 10 years or so.

Survey respondents and written submissions also raised issues over the delivery and value for money of two new vessels (MV Glen Sannox (801) and vessel 802) currently being built by Ferguson Marine Engineering at Port Glasgow. These include:
• The high cost of hybrid technology in new vessels compared to previous vessels
• Long delivery time for procurement and construction (currently 18-24 months late)
• The absence of a STAG appraisal in the procurement decision resulting in a lack of community engagement.

More broadly, criticism of procurement focussed on why decisions had been made to deliver larger vessels which require port upgrades rather than smaller vessels with greater flexibility to operate under existing infrastructure across the wider network:

“the funding levels are fine but the vessel build programme is ludicrous. Complex and extraordinarily expensive bespoke designs are specified with impractical fuelling solutions mean that fewer and less useful vessels take longer to build and are more complex to operate than more standard (and probably smaller & better value) vessels delivering more frequent and reliable services.”

One survey respondent also argued that comparable services in Orkney, Shetland and Norway operated at lower costs due to more cost-effective ship and terminal design.

Written submissions from HITRANS and Comhairle nan Eilean Siar highlighted the decision to procure the MV Loch Seaforth on the Ullapool to Stornoway route as an example of poor investment against preferred recommendations for two medium/large-sized vessels.

Comhairle nan Eilean Siar raised concerns that the introduction of this vessel has resulted in only a minimal increase in route capacity and a minimal reduction of journey times. Furthermore, its submission states that capacity constraints on the route at peak periods are already evident after only two seasons and that concerns are also being expressed regarding the long-term sustainability of the use of that vessel as a dedicated freight vessel on the overnight sailing and the financial implications of the repairs and maintenance required because of high levels of wear and tear.

**Investment in Port infrastructure: Harbours**

Written evidence from Audit Scotland highlights a lack of clarity over long-term investment in harbour improvements:

“Transport Scotland does not have a harbours investment plan. CMAL has a programme of improvements for its harbours, which is based on condition surveys carried out in 2007 and 2015. The estimated cost of the improvement works is £466 million over 30 years (excluding inflation). This excludes the cost of upgrading harbours to accommodate new vessels, which may be significant. It is not clear how the improvement works will be funded within Transport Scotland’s ferries budget.”
Evidence submitted by CalMac Ferries Ltd indicates a lack of transparency over how harbours outside of CMAL ownership are reinvesting harbour dues:

“Despite many Trust, local authority or privately-owned ports to which CalMac operates accruing millions of pounds in berthing dues, it is not clear how this income has been reinvested in ports.”

Survey responses also raised concerns over insufficient shelter and inadequate public services at some ports. Written evidence submitted by the Ferry Users Group from Millport, Isle of Cumbrae stated that there is no targeted investment to improve the weather resilience of ships or ports.

**Investment in Port infrastructure: Accessibility**

Survey respondents were highly complementary of ferry staff in assisting passengers with mobility issues. However, they described a number of issues:

- Lack of space on car decks due to cars being packed too tightly
- Some ports requiring passengers with mobility issues having to access ferries through the car deck without protection from poor weather (Port Ellen, Kennecraig, Port Askaig).
- Outdated equipment
- Long walks along vehicle queues to ticket offices (Largs).
- Steep slopes on slipways (Cumbrae).

A recurring theme from the survey responses was criticism over the design of the new Brodick terminal on Arran. This criticism was mainly related to the length of the new walkway from the ferry terminal to the vessel being too long for passengers with mobility issues:

“The new Brodick terminal is not disabled friendly. The walk from the vessel to and from the building is excessive for anyone with anything less than good health. There are wheelchairs provided but there are too few due to the numbers requiring them. Similarly staff cannot be conjured out of nowhere to help travellers as all the staff have duties when the ferry arrives/departs. The lifts are inadequate for the number of people with heavy cases, children in pushchairs and those with mobility difficulties. The exit stairs are an accident waiting to happen with heavily laden, tired, unsteady travellers. The PAS connector is so low that even people of smaller stature have to duck to exit. The length of the walk from the ferry is such that people are missing connecting buses. The staff themselves do a wonderful job in the circumstances but the dreadful design of the terminal is making their jobs so much more difficult”

“the main problem is the need to rush to catch a bus when returning. If a bus is missed in the evening you are likely to be stranded. This is incredibly stressful. Changes will have to be made. Locally this has been discussed and there are
people who feel discriminated against because for various reason they cannot walk quickly or they are humiliated by being offered a wheel chair.”

Written submissions from RMT and Unite noted the physical impact on staff required to assist passengers with mobility issues as well as the stress caused from frustrated customers due to insufficient staff available to assist passengers.

Impact of Road Equivalent Tariff (RET) fares

Most survey respondents (86% or 204 respondents) said they did not think sufficient investment had been made in vessels and port/harbour facilities to handle increased passenger numbers, particularly since the introduction of the RET.

Issues raised included the following:

- Difficulty in Island residents getting on services in peak season leading to missed hospital appointments, attending funerals on the mainland.
- Requirement for increased sailings rather than increased capacity
- Need for improved online booking services
- Requirement for improved public facilities at ports (e.g. toilets, parking)
- A lack of connectivity with mainland bus and rail services (timetabling issues)
- Increased number of large campervans
- Substandard marshalling areas unable to cope with increased vehicle numbers
- Large traffic queues, gridlocked traffic at peak times.

The most commonly cited problems were associated with island residents being unable to book tickets at short notice during peak season and traffic congestion due to increased vehicle numbers after the introduction of RET.

RMT’s submission argues that RET “risks distorting service priorities away from a CHFS-wide lifeline provision to focus resources on the busiest and most lucrative routes.”

Among respondents reporting issues related to the introduction of RET, the following routes were most frequently mentioned in responses:

**Ardrossan – Brodick**

Respondents reported that locals were unable to purchase tickets to attend hospital appointments or funerals on the mainland during peak season. If residents were able to leave the island with a vehicle they reported difficulty in returning on the same day.

**Largs – Cumbrae**

Respondents reported a large increase in foot passenger and car numbers leading to parking problems. Large vehicle queues (50-100 cars) were reported in Largs
during peak season with locals having to queue up to 2 hours to get a ferry and gridlocked traffic.

Respondents also suggested possible modifications to RET such as:

- increased fares for vehicles at peak times
- increasing fares for vehicles for peak tourist services
- restricting RET to island residents
- removing RET for camper vans and commercial vehicles

**Changes to the application of EU state aid and procurement rules**

Responses to the Committee’s survey expressed mixed views. Some responses argued that the current tendering process did not provide enough scope for changes to service provision:

“EU state aid rules are designed to foster competition and value for money in the provision of public services by discouraging unfair practices. Over the last two decades or so, various Scottish administrations have tended to frustrate these aims by making the tendering process for Clyde and Hebrides Ferries so complex, inflexible and expensive as to discourage market entry by more efficient providers. For example, under the existing policy, an incoming operator would be expected to operate the same vessels, with the same crewing terms and conditions, to the same schedules on the same routes applying the same fares policy as before, all as a large single bundle. This removes any scope at all for innovation.”

Other respondents favoured removal of the current tendering process:

“Brexit may stop the need to carry out the very costly regular tendering procedures. The time, money and effort to win the tender could be best used towards improving the service by the current operator.”

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