Cabinet Secretary for Transport Fiona Hyslop MSP



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Edward Mountain MSP Convener Net Zero, Energy and Transport Committee Scottish Parliament By email: netzero.committee@parliament.scot

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Dear Convener,

## Small Vessel Replacement Programme

I refer to your letter dated 13 March seeking further information following my letter to you dated 8 February.

The Small Vessel Replacement Programme Phase 1 includes delivery of seven new electric vessels to be deployed on the Clyde and Hebrides network, replacing seven older vessels. Phase 1 also includes associated port works and shore power upgrades on various routes. As referred to in my letter of 8 February, there has already been extensive engagement undertaken with the communities served by the routes set to benefit directly and indirectly from the seven new vessels. Work on the second phase of the programme, which will look to procure up to three new small vessels of a different design from Phase one has begun and community engagement will be undertaken as the project progresses.

The Small Vessel Replacement Programme Phase 1 Outline Business Case is currently being considered by Ministers. This consideration includes the potential approach to procurement. We expect to provide an update on the outcome shortly. It would not be appropriate for me to comment in detail whilst this is still being reviewed.

As I and other Ministers have previously set out, the Scottish Government is considering future vessel contracts from public agencies on a case-by-case basis and whether any might be legally open to direct award, which is legal in strictly limited circumstances under public procurement rules. This is part of the ongoing review of the procurement process. The Scottish Government is committed to doing all it can to secure a sustainable future for the Ferguson Marine yard and its skilled workforce. The Scottish Government's priorities have always been the completion of the two ferries, securing a sustainable future for the yard and its workers, and supporting our island communities that rely on this type of vessel.

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I hope that this is helpful and please let me know if the Committee needs anything further to inform its consideration of this matter.

Yours sincerely,

## FIONA HYSLOP Cabinet Secretary for Transport

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