

RURAL ECONOMY AND CONNECTIVITY COMMITTEE

INQUIRY INTO CONSTRUCTION AND PROCUREMENT OF FERRY VESSELS IN SCOTLAND

SUBMISSION FROM SLEAT TRANSPORT FORUM

Introduction

The Sleat Transport Forum was formed in 2014 to represent ferry users, businesses, organisations and residents in the Sleat peninsula in the south of the Isle of Skye. Its remit is to promote improved public transport to and from the area and to recognise the changes required for transport and its use given the focus on sustainability and climate change. Sleat and Skye in general, together with Lochaber and Mallaig rely heavily on the benefits from the Mallaig-Armadale CalMac service which was the company's 6th busiest route in 2018. Whilst the Forum's primary role is to ensure a robust and reliable ferry service on the route, it fully recognises that the Inquiry's remit is to take in the much wider issue of the west coast and islands network (CHFS) and Northern Isles (NIFS) in respect of vessel provision and the challenges that are growing year on year with an ageing CalMac fleet and the significant delays and costs to the construction of vessels 801/802.

It is important to note that had the two vessels been delivered on time then the Transport Scotland Vessel Replacement and Deployment Plan's proposals for a cascade of vessels would have allowed the MV Coruisk to be redeployed from Summer 2019 back to the Mallaig-Armadale service, the route it was specifically commissioned for in 2013.

Whilst the Forum has been fully aware of the issues surrounding the two vessels under construction at Port Glasgow, we do not propose to waste Members time going into such detail as evidenced by, for example, the Mull and Iona Ferry Committee's 16 page document that appears to have been wholly influenced by well-known 'ferry consultants'. It is disappointing that some of those who have submitted papers are once again going over old ground, much of which has already been dismissed at the tripartite Network Strategy Group and the Ferry Industry Advisory Group.

We fully recognise the challenges that the Scottish Government faces going forward in the provision of the country's vital ferry services, but all parties should now collaborate on a sustainable plan of investment and procurement of new vessels and port infrastructure, but recognising the financial constraints facing Scotland plc.

We **fully** support Caledonian Maritime Assets Ltd (CMAL) with their Vessels and Ports Investment Masterplan (2019) and encourage Scottish Ministers to accept this as the definitive blueprint for the future but also strongly recognising that community input into vessel procurement and ferry service provision is key to building a sustainable future for Scotland's ferry networks. This cannot be achieved by 'armchair admirals', 'self-styled consultants' and in our opinion others who are unable or unwilling to recognise the bigger picture.

We are pleased to present this brief submission to the Committee.

Q1:

We believe that it was right to appoint a review body once the process of the Administration of FMEL and have no reason to believe that the findings of the board are not a fully accurate and professional assessment of the state of the shipyard and the two vessels. To the layman it appears very evident that FMEL were not qualified in 2015 to build these ships, given the financial rescue in 2014. From solely a community point of view we believe that finishing the ships on site is the only option and that recent statements by others suggesting one or both vessels should be scrapped, or at least one sold on completion is absurd, given the investment so far and the prohibitive costs and time dismantling and removing 000s of tonnes of steel from a small shipyard.

Q2:

As stated, completion on time would have allowed a cascade of two existing CalMac vessels that would have added service resilience to other routes given the ageing fleet. It was proposed under the VRDP that MV Coruisk would have returned to Armadale-Mallaig in 2019 reinstating a service than ran seamlessly from 2003-2015. The net result for this route has been the deployment since 2016 of vessels unfit for purpose requiring a tidal timetable for around 34% of the total average summer sailing days. Confidence in the route has been diminished, despite increasing passenger and vehicle numbers, and an economic threat to the viability of communities is still present. However, we recognise that other islands are suffering significantly more in the delay to the introduction of the new vessels for their communities which do not have an option of a fixed link of a bridge. The Forum's aspiration remains for the provision of a dedicated vessel for the Mallaig route, capable of operating year-round with sufficient vehicle and passenger capacity to meet future demand. As with a number of other short duration routes provision for passenger food and beverage facilities should be minimised. We ask is there a restaurant, bar or shop on a 45m journey by Scotrail from Edinburgh to Glasgow?

Q3:

The Forum, as a local campaign group, is not qualified to answer this question but would suggest that a full review into the process to introduce new ferries be established as soon as possible. This should, however, recognise that despite the laudable commitments in the 2019 Islands Plan, funding is limited year after year. Scottish Ministers must recognise that a commitment to change is inevitable and existing processes, in some instances, are clearly not working.

Q4:

Ferry services in Scotland are crucial to the economic prosperity of the islands and rural and remote areas they serve. There have been key developments in recent years including RET, a worldwide tourism boom and a desire for people (and particularly young people) to enjoy well-being and living in some of the most beautiful parts of the UK. The diminution of ferry services only contributes to de-population. Whilst the populations of the islands and rural communities are a relative fraction of Scotland's population as a whole (particularly the central belt) it should not be the case that these communities be favoured any less in the provision of public services and in this case ferry services. It is an indictment against successive governments that have built only two major CalMac ferries in almost twenty years, that now leaves the company in a perilous state of service provision. This loss of focus with lack of investment and vision has resulted in communities having little faith in their views and requirements being listened to. It is predominantly those people including Ferry Committees and Stakeholder Groups who still provide experienced and balanced views from their communities. Former Chairman of CalMac Ferries, Peter Timms, said in the company's submission to the draft Ferries Plan in 2010:¹

This Government is to be applauded for recognising that ferry services and lifeline services in particular, are a key part of the country's infrastructure and need to be strategically planned for if they are to continue to play a meaningful part in the economic and social life of the nation. Efficient, affordable and "fit for purpose" ferry services are not merely desirable but absolutely essential. Clearly the difficult economic climate which has emerged since the Review, means there will be short term pressure on capital for new vessels and port improvements, and on revenue to subsidise lifeline services.

We would urge the Government not to let this pressure undermine the value of these vital services and infrastructure. Our submission demonstrates how investment

¹ https://www.calmac.co.uk/media/1259/Covering-Letter-SGFR-Response/pdf/Covering_Letter_SGFR_Response.pdf?m=1421865306720

in new ferry infrastructure has been slipping behind for decades, reducing the quality of our services, and creating a situation where catch-up will have to be undertaken in emergency conditions, needing much more investment than if a continuous replacement policy had been adopted. It is clear that no matter how many assurances are given about responding to community needs, or providing lifeline services in order to enable rural communities to contribute to the national good, the ability to deliver these well intentioned aims very quickly comes down to the availability of funding for services that are vital to a special group of Scotland's people.

The urgency of the task cannot be overstated. MV Finlaggan which is due to go into service in May 2011 is the first new vessel in the CHFS network for four years and with plans for another for Stornoway/Ullapool vessel still up in the air, the paucity of the new vessel programme for the Clyde and Western Isles is startlingly evident. No-one associated with the provision of ferry services should lose sight of the fact that ferry services are not an end in themselves. The existence of modern, efficient and affordable ferry services is a vital catalyst to other forms of investment and economic activity in the islands and communities served. Across our network, people are making important decisions about where to live where to run businesses, where to bring up children and the ability to move themselves and goods freely is a key part of their decision processes.

The Forum believes that the statements made by Mr Timms in his submission, ten years on, are as valid today as then and confirm the desperate state that the CHFS network is currently in. Urgent attention is now long overdue.

Q5:

We do not know enough, as a community group, to have sufficient knowledge to review the procurement and fulfilment process of vessels 801 and 802. However, it is clear that the current set-up of key parties is not working well. It is expected that there will always be political invention, often for party gain, but it is evident that communities in general are not involved enough in the process. It is also evident that civil servants are failing to inform ministers (with multiple portfolios) of the real issues, probably to protect their careers. Whilst this understandable it has result in key factors being overlooked. Why are we now more than two years on from the last publication of the Vessel Replacement and Deployment Plan?

Q6:

The decision to bring FMEL into public ownership would not have been taken lightly or easily and on the face of it seems the most sensible option. Removing the, in our view, toxic and obviously inept former management should now allow a clear pathway for the completion of the two vessels, albeit at significant costs and

extended durations. The shipyard under its former owner has let the communities the vessels were planned to serve down badly yet maintain 'they did nothing wrong'. It is inevitable that the urgent requirement for both large and smaller vessels cannot, in the first instance, be fulfilled at Fergusons, and so Scottish Ministers must recognise that other UK and foreign shipyards will be required to build the next ships. There seems no reason why though, in future years, Fergusons, under its eventual management cannot be a key player in Scottish shipbuilding.

Q7:

As with other groups' submissions we are not cognisant of potential changes to infrastructure regulations post-Brexit. Whatever process is eventually adopted it is essential that procurement must give value to the public purse even this means that ferry vessels, where necessary, can be ordered from other countries. As outlined in Mr Timms' earlier note, to do nothing is not an option and we support every effort to bring Scotland's ferry services into the 21st century, even if this means a complete transformation of business modelling including onboard services, fare structures, manpower levels to name but a few. We need to look forward and not back, if only for the communities that rely so heavily on the services provided by Scotland's ferry operators. Above we must ensure that safety is paramount in every scenario.

We thank the Convener and Committee Members for the opportunity to submit the general views of the Sleat Transport Forum.