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26th June: NZET Committee Report states that “Leadership, long-term strategic-thinking and investment is needed to bring Scotland’s ferry services to an acceptable standard”. Report highlights:

Unhelpful “churn” in the role of Transport Minister – though welcome the experience ex-Deputy Convener Fiona Hyslop will bring.

10 year direct award to Calmac to ensure continuity / avoid disruption.

Consider bringing CMAL functions into TS to reduce “blame-shifting”.

Islands Connectivity Plan is “chance for a genuinely fresh start “.

26 June: The Herald frontpage headline “Calls to scrap CMAL and create new ferries agency”

26 June: The Scotsman frontpage headline “Islands facing ‘existential threat’ from ferry chaos”

26 June: The Press and Journal frontpage headline “Islanders ‘need ferries champion’ at Holyrood”.

26 June: BBC Scotland online reports Katy Clark MSP suggesting SG should approach UKG for “emergency funds to support the fleet”

25 June: The BBC alleges that newly released emails from 2014 show that ministers and civil servants checked that FMEL would be ready to bid for Hulls 801/802 before the procurement process began.

20 June: The Press and Journal reports on "failing ferry service" cost businesses on just two islands being almost £1.5m. In the midst of what was described as an "intense crisis for the Hebridean ferry system", Joe Reade wrote to the newly-appointed transport minister on behalf of Iona and Mull Community Councils.

20 June: The Press and Journal reports on the Orkney inter-island ferry services -Michelle Thomson, chairwoman of Orkney Ferries and local councillor, says the government needs to "get back to the table" to discuss the future of ferries on Orkney following service disruption.

19 June: The Herald reports – “March for ferry justice: Islanders take protest over CalMac service cuts to mainland” – relating to the current lack of service to Lochboisdale.

15 June: The Herald reports – “**Remote island that is 'losing its heart' amid ongoing ferry crisis**”. Referring to the island of Colonsay where residents say they have less of a voice, but rely more on ferry service.

14 June: Daily Record, reports on RMT lead Mick Lynch’s calls for a 'people's CalMac' taking Clyde and Hebrides ferry services into public ownership.

14 June: The Press and Journal reports on calls for a resilience fund after ferry services cut. T

13 June: The Herald Ferry reports – “policy poses threat to our Gaelic culture, warns island leader” – amidst suggestions that ferry deployment

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policy fails to take account of the economic and cultural impact on Scotland's islands.

13 June: The RMT union publishes a report described as a critique of Project Neptune. Various press reports have picked up on this including - The Scotsman reporting business across Scotland's islands affected by ferry disruption would only receive just over £1,000 in compensation if it were to be paid out using fines handed to CalMac.

TOP LINES

Since re-election, this government has:

- Bought and deployed an additional vessel in the MV Loch Frisa;
- Chartered the MV Arrow to provide additional resilience and capacity;
- Commissioned two new vessels for Islay;
- Commissioned two new vessels for the Little Minch routes;
- Progressed investment in key ports and harbours; and
- Confirmed additional revenue funding for the operation of Local Authority ferry services.

I welcome receipt of the report and thank the Committee for its detailed work. I endorse the strong emphasis placed on hearing from the communities who use these essential ferry services.

- Ministers will consider the Committee's recommendations in detail and respond in due course. The report will also inform the development of our Islands Connectivity Plan and the next Clyde and Hebrides Ferry Services contract
- Much of the evidence and many of the conclusions are consistent with what we have been hearing from our own regular engagement with communities and stakeholders, and how we want to deliver these ferry services in the future.
- The voices of ferry users, communities, workers and other stakeholders must and will be central to future ferries policy and investment.
- I support the Committee's conclusion that too many of our ferry services are unacceptably unreliable. Improving reliability and resilience must be the top priority of the Islands Connectivity Plan.
- I agree that an ageing fleet, lack of resilience and increased usage are root causes of the current problems which our Long Term Plan for Vessels and Ports seeks to address; a pre-consultation draft published at the end of 2022.

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- I note the Committee's support for a direct award to CalMac, if island communities appear to support making a direct award, and there is no legal barrier to it, a position I also arrived at as Transport Minister. All options around the provision of the next CHFS contract are being considered.
- Weaknesses in the current governance structures were recognised by the Project Neptune report. At our request, Angus Campbell has engaged people and communities on Project Neptune findings and delivered his draft report which Ministers will consider ahead of an update on Neptune later this year.

CMAL AND FMEL 2014 DISCUSSIONS

- Ministers and CMAL have always been clear that they wanted to maximise competition for these contracts, including from FMEL as a local shipyard that had very recently been saved from closure by the action of the Scottish government and Mr McColl's investment company.
- The recent BBC article states a leading procurement law expert confirmed that "It would be good practice to enter discussions with a range of potential suppliers..." and that "it could be possible for CMAL to contact Fergusons as a potential supplier at that stage of the process - but that the yard should not be given an unfair advantage."
- FMEL still had to take part in an open and transparent procurement process against a number of rival bidders in order to win the contracts to build hulls 801 and 802.

CLAIMS THAT THE 2015 CONTRACT WAS NOT A FIXED PRICE CONTRACT

Ministers and CMAL have been consistently clear that a fixed price contract does not prevent increased payments to the contractor in respect of approved contract variations.

- There were clear and established mechanisms in the contract to enable changes to be mutually agreed and costed.
- This is well-explained in the Committee's report on the new vessels: paragraph 257 notes that:

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- CMAL also highlighted in its written evidence that “the contracts specifically guard against the Builder being out of time or money for design changes that are instructed by the Buyer”
- And paragraph 261 refers to the evidence from CMAL – which has not been disputed – that:
- “There are formal variations to contract... There were 111 discussions and 81 actuals, 46 of which were proposed by the yard and 35 of which were proposed by us, resulting in the £1.55 million.”
- Given the scale of FMEL’s initial £17.5m and further potential claims, the Scottish Government encouraged FMEL to pursue them through the courts but, as Audit Scotland makes clear, FMEL chose not to do so. And of course CMAL had refuted the claim in its entirety.
- Audit Scotland reported that the independent view on FMEL’s claim, commissioned by the Scottish Government, concluded in June 2019 that there was no legal basis for CMAL to pay more than the contract’s £97m fixed price.
- It was not for Ministers to direct either party – though we did encourage CMAL and FMEL to work proactively to resolve the dispute
- The options for dispute resolution were set out in the contract, including for FMEL to take the claim to court.
- CMAL exercised as much flexibility as they could under the contracts to support FMEL’s cash flow position. However, there were limits to the support that could be provided under that mechanism.
- Scottish Ministers separately gave direct financial support available to FMEL, but this was done outwith the CMAL contracts for vessels 801 and 802.

CALLS FOR PUBLICATION OF THE 2015 CONTRACT FOR HULLS 801/802

CMAL have provided PAC with a copy of the contracts for Hulls 801/802.

- Minor redactions relating to GDPR info etc material has remained.
- An extract from the contract had been published on the SG website and we plan to update the links with the full versions.
- An independent QC was commissioned by the Scottish Government and was provided with the full contract plus other supporting documentation that they requested and drew the conclusions noted.
- Both CMAL and FMEL were invited to share any relevant details with the QC at the time and extensive material was shared by both.

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- In total three QC opinions were sought into the matter; by CMAL, the Scottish Government and FMEL Administrators.
- All three QC reports made the same conclusion – there was no validity to the claim.
- I understand Mr Jim McColl has also shared copies of the contracts with the committee.
- Neither CMAL or Scottish Ministers have ever denied there were mechanisms to agree changes in the contract and indeed these were used to enable a series of changes requested by the yard and by CMAL.
- These were not extensive changes as has been claimed; they resulted in about £1.5m extra costs. The claim was a separate matter.
- Richard Leonard MSP, convenor of PAC, wrote to the Scottish Government on 16 June asking for the publication of the 2015 Contract in full.

FERRY DISRUPTION

I recognise the impact that delays and disruption have regrettably had on our island communities and I am committed to investing in our ferry services.

- There have been ongoing technical issues with vessels resulting in delays to the annual overhaul programme and cancellation of sailings.
- We recognise that every cancelled sailing can have a significant impact and continue to work with operators and CMAL to improve reliability and resilience across our networks.
- Regrettably there are communities who have been more greatly impacted than others and we fully recognise the need to improve reliability and confidence in services.
- Delivering six new major vessels to serve Scotland's ferry network by 2026 is a priority for this government.
- Should there be cancellations to CalMac services due to weather or technical issues then a full refund will be provided to the customer, as I'm sure we all would expect.
- Ferry operators prioritise food supplies during disruption. They are part of the local resilience partnership, and remain in contact with local communities and hauliers.

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- Statistics show that in 2022 of the 171,403 scheduled sailings across the CHFS network 11,301 (6.6%) were cancelled. Of these, 1,830 (1.1%) were cancelled due to technical issues.

LOCHBOISDALE

The MV Hebridean Isles remains out of service and unfortunately impacts on the Lochboisdale service from 3 June – 30 June, with the removal of the MV Lord of the Isles necessary to cover Islay services alongside the MV Isle of Arran.

- To help minimise disruption on South Uist, additional sailings will be available via the Sound of Barra, and also via Lochmaddy.
- The former Minister for Transport met in person with businesses and ferry stakeholders in North and South Uist last month to hear directly from them around the issues.
- The Cabinet Secretary has met with CalMac to ensure a review of the Route Prioritisation Matrix is carried out, and met with the Ferry Community Board on 14th June to re-iterate her expectations that they must be included along with communities as part of this review. The Cabinet Secretary has challenged CalMac with ensuring they must continue to explore all avenues to keep this disruption to an absolute minimum, and to ensure clear and timely communications to the communities involved.
- CalMac Managing Director and other members of his team, along with TS officials travelled to Lochboisdale last week to meet with local residents and businesses at a public meeting.

CALMAC 'FINES' AND COMPENSATION CALLS

The issues around compensation have understandably and rightly been raised, many a time, with this Government. I have looked into the penalty deductions that are made in relation to failures on the network, and my view is that we should continue to use that money to reinvest in the ferry network.

- There is a legitimate goal around the use of those deductions, but I think that the best use of that money at this time is to reinvest it back into the network to support resilience and help reduce disruption.
- For example, the £9 million cost of the charter of the MV Alfred is only partly funded by the performance deductions from CalMac of around £1-3m per year. It is right that money is reinvested for the benefit of the resilience of the entire network.
- I have previously noted the calls for compensation, but any such scheme would need to be carefully considered and would require stark choices to be made about funding priorities set against efforts to provide resilience in the network.
- The Cabinet Secretary has provided an assurance that she will not be cut-off from discussions going forward with communities.
- I have instructed officials to consider what can be done for businesses like South Uist going forward. This work is being taken forward and I will be kept informed over the coming days.

FARES FREEZE

Fares on the Northern Isles and Clyde & Hebrides ferry networks have been frozen for six months until October 2023.

- This fares freeze is the right thing for our island communities and I hope it will go some way to encouraging tourism this Summer as island businesses continue to recover from the pandemic.
- The Scottish Government is acutely aware of the particular challenges faced by our island communities, where the ongoing cost of living impacts are arguably more challenging than in any other part of the country.
- Additionally, Ministers are mindful of the disruption on the ferry network in recent times - particularly in relation to the Clyde and Hebrides network.
- Fares beyond October are being considered and decisions will be taken as soon as possible to allow bookings to be made over the winter.

ISLANDS CONNECTIVITY PLAN – FARES REVIEW

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Ferry fares policy is being reviewed through the Islands Connectivity Plan, alongside our wider Fair Fares Review, and will consider issues raised by stakeholders such as dynamic pricing and demand management.

- Any new measures considered would need to take account of the needs of islanders.
- There are no immediate plans to change Road Equivalent Tariff and its principles of a single, consistent fare.
- The Islands Connectivity Plan will be subject to stakeholder engagement and consultation before any decisions are taken on future ferry fares policy.

BENEFITS OF RET

The roll out of Road Equivalent Tariff (RET) on the Clyde & Hebrides Ferry Service network, completed in October 2015, continues to deliver significant reductions in ferry fares for passengers, cars, small commercial vehicles and coaches.

- These reductions delivered an estimated average fare reduction of 34% for passengers and 40% for car traffic and continues to save travellers around £25m a year.

LACK OF RET ON NORTHERN ISLES

The Scottish Government remains committed to lower fares on Northern Isles ferry services.

- It has not yet been possible to introduce RET on Pentland Firth ferry services due to the presence of a commercial ferry service.
- The current Subsidy Control rules following the UK's exit of the European Union do not present any opportunities to introduce RET at this point in time.
- Long term ferry fares policy is being reviewed as part of the Islands Connectivity Plan.
- Significant fare reductions have been introduced in recent years on routes from Aberdeen to Orkney and Shetland, including a 20% discount on cabins and a 3 year fares freeze for islanders.
- The Scottish Government is fully funding local authorities to operate inter-island ferries and keep fares low.

LOCAL AUTHORITY FERRIES – inc ORKNEY

We recognise the challenge for local authorities that have responsibility for ferries, and have provided more than £136m over the last 5 years to support the running of these services.

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- We are committed to continue fully funding the operation of local authority ferries in 2023-24.
- Revenue funding distribution for 2023-24 will be confirmed as soon as possible.

While responsibility for funding replacement infrastructure does remain wholly with the councils, we are committed to continuing engagement.

- Further work, initiated by the former Deputy First Minister, is ongoing to support both Shetland and Orkney in developing their fleet replacement plans, recognising the challenges these islands face.
- Transport Scotland officials met with Orkney Island Council on the 16th of June as part of this ongoing work.

ELECTRIC VEHICLES ON FERRIES

Electric vehicles are only classed as dangerous goods when lithium-ion batteries are being charged. There is currently no provision on ferries to charge EVs.

- It is a matter for ferry operators to ensure any cargo carried is safe. There is currently no difference in the advice provided to ferry customers with EVs to that provided to customers with internal combustion engines.
- All dangerous goods shipments must be accompanied by a Dangerous Goods Note (DGN). This is in addition to being placarded and marked in accordance with the requirements of chapter 5.3 of the International Maritime Dangerous Goods (IMDG) Code. The IMDG Code requirements differ from that of the International Carriage of Dangerous Goods by Road (ADR) regulations.
- The Maritime & Coastguard Agency (MCA) have issued a draft Marine Guidance concerning electric vehicles onboard passenger roll-on roll-off ferries.

RMT REPORT - PROJECT NEPTUNE

The aim of the review is to deliver an enhanced passenger experience and support local island economies.

- The former Minister for Transport made a statement on 8 Sept on the “Future of Scottish Ferries” which included confirmation on the publication of the Project Neptune report.

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- This is a complex piece of work and will require further engagement with all key stakeholders – including the staff of both CalMac and CMAL - as well as the Trades Unions and communities.
- To be clear the report, by independent consultants, sets out a range of longer term options on structural reform and no decision has been taken on these, other than those we have already ruled out around privatisation or unbundling of the CalMac network.
- I understand Mr Stewart met with the maritime unions recently and reiterated that we will not be pursuing any routes that look to privatisation in the future, nor are we considering unbundling.
- I very much value the ongoing work of CMAL, CalMac and Transport Scotland, but recognise there is room for improvement in governance.
- I also note the NZET Committee report suggesting structural reform. As noted, no decision has been taken yet. Future outcomes will consider options for change in the round, taking into account the views of island communities, Parliament and ferry users, but also ensuring that value for money and the public purse are considered.
- We are committed to greater engagement with island communities and this is why we asked Angus Campbell, Chair of the Ferries Community Board, to lead on this.
- He has now visited every island group and is drafting his report which we look forward to receiving and will consider any recommendations put to us.
- Our intention is to provide Parliament with an update on Project Neptune later this year.

AR TURAS – BOOKING SYSTEM

I am sorry that some people are continuing to experience problems with CalMac's new ebooking and ticketing platform (Ar Turas).

- I understand that CalMac is working hard to address these issues following the initial introduction last month and it is keeping customers updated on this through various channels.
- CalMac have assured that once these issues are addressed the new system will bring significant improvements for customers and staff – particularly during periods of disruption.
- There continues to be extensive support in place, CalMac's digital team and engagement centre comprising of over 40 people who have been providing 24/7 cover as part of the hyper-care support, along with system, IT and network suppliers.
- The benefits of Ar Turas include better 'live' deck space management for use of capacity, better communication around disruption, a

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standardised, accessible, digitally enabled service both on-line and apps and a means to purchase tickets and apply changes in an instant.

CLYDE AND HEBRIDES FERRY SERVICES CONTRACT

The Scottish Ministers remain committed to ensure the most efficient and best value arrangement to deliver our key lifeline ferry services.

- The current Clyde and Hebrides Ferries Services (CHFS2) contract is due to expire in September 2024 and preparatory work by Transport Scotland for the next contract is underway work.
- As is routine on complex high-value projects such as this one, this will include support from specialist external advisers to help ensure that the contract meets its needs and delivers value for money.

No decision on the detailed requirements of the contract has been taken at this point, but the views of communities and other key stakeholders will help inform the approach taken.

- We will work with all key stakeholders, including the trade unions, to ensure the most efficient and best value arrangement to deliver our key lifeline ferry services.

The contract duration for the next Clyde and Hebrides Ferry Service (CHFS3) contract has yet to be determined, and will be informed by an evidence-led process including, consultation with key stakeholders; supplier engagement, and a review of international comparators.

- In relation to ferry priorities and governance structures under consideration through Project Neptune, Ministers have been clear that no decisions have been made.
- This work will be informed by engagement with island communities and ferry users about the priorities being carried out by Angus Campbell, Chair of the independent Ferries Community Board, who should provide Ministers with a report soon.

CHFS2 EXTENSION

Scottish Ministers remain committed to ensuring the most efficient and best value arrangement to deliver our key lifeline ferry services.

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- The current CHFS contract is due to expire in September 2024 and work is underway to consider the appropriate approach and content of future contracts.
- All options are currently being explored, with no final decision having yet been taken on commencement of the new contract.
- No decision on the detailed requirements of the contract has been taken at this point, but the views of communities and other key stakeholders will inform the approach taken.
- This will include community engagement being undertaken through Project Neptune, and as part of the Islands Connectivity Plan work.

To enable the next Clyde and Hebrides Ferry Services contract (CHFS3) to incorporate the outputs from the developing Islands Connectivity Plan and Project Neptune, we have engaged the advisors for 3 years to ensure that this emerging policy work and associated stakeholder engagement can be included within the contract.

DIRECT AWARD OPTION

Work is underway to consider the appropriate approach to future contracts and tendering.

- No decisions on the form of tender or timescales have been taken as yet.
- We are currently considering the most appropriate route for continuity of the services and will continue to review all options, including direct award, in order to deliver safe and sustainable ferry services to island and remote rural communities, while achieving value for money.
- The services will be secured in accordance with all relevant legal provisions, including subsidy control and procurement legislation.

Although there are no specific obligations to inform Parliament in relation to procurement competitions, Ministers will of course update Parliament when key decisions in relation to the contract have been taken.

- Scottish Ministers updated parliament on 8th September 2022 through former Minister for Transport's statement on Future of Scottish Ferries.
- Since that time two cross party meetings have been held on 25th October and 8th December to discuss Scottish ferries issues including Project Neptune.

UNBUNDLING/SPLITTING UP THE CHFS NETWORK

The issue of splitting up the CHFS network has been raised by various parties over the past few years.

- My predecessor was clear on this government's stance on the issue when she said in this chamber in Feb 2022 "we have no plans whatsoever to split up the CalMac Network."
- In April 2022 this was reaffirmed by the Minister for Transport at the time, Jenny Gilruth who stated "...this government has no plans to privatise or unbundle" and in her statement on The Future of Scotland's Ferries on 8th September "we will not be pursuing any routes that look to privatisation in the future, nor are we considering unbundling"
- I am happy to restate that position: we have no plans to privatise nor split up the Clyde and Hebrides Ferry Network.

CREWING FOR MV GLEN SANNOX (HULL 801)

Transport Scotland continue to work closely with CalMac, CMAL, and Fergusons to align recruitment of crew with vessel deployment plans.

- Fourteen senior crew positions, such as vessel Masters and key engineering roles, have been recruited for MV Glen Sannox and are undertaking essential commissioning, documentation and other tasks at the yard as various elements of the vessel systems are brought to life.
- Phased employment of key crew members well in advance of delivery is a normal process for all new vessel.
- The costs to date released in the FoI and reported in the media include salaries, pensions, specialist training and other expenses.
- The crew, who have been deployed to the yard, are paid for by the Scottish Government, (yard owners), as part of the build costs of the vessels.
- CalMac will become responsible for the costs of the staff once the vessels are delivered to CalMac.
- The Transport Minister has spoken directly to CalMac on this matter and received assurances these are the legitimate costs incurred in bringing a vessel into service.
- Further phases of crew recruitment for essential engineering, technical and other roles are underway and will be confirmed in the coming weeks and months to align with the vessel delivery schedule and commissioning requirements.

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NEW VESSELS

We are accelerating replacement of major vessels in the ferry fleet.

- We have provided funding for CMAL to procure four new major vessels for Islay and the Little Minch routes. These are now under construction and are covered by builders refund guarantees.
- Progress on the first Islay vessel is well underway, with a number of blocks now assembled on the slipway. The second vessel had its keel laid on 24 May 2023, where units will start to be assembled on the slipway next to the first vessel.
- On the same date, 24 May 2023, steel cutting marked the official commencement of the construction of the first of the Little Minch vessels. The second vessel's steel-cutting date is yet to be confirmed but will likely occur in September 2023.
- These ferries are intended for deployment on the Little Minch routes to Lochmaddy and Tarbert, delivering dedicated services to communities in the peak season rather than the shared vessel operation currently in place.
- This will create the opportunity for significantly increased capacity and resilience for the communities of the Western Isles throughout the year.
- The new vessels will also allow consideration of options to deploy Vessel 802 on an alternative route, including potentially alongside her sister ship, the MV Glen Sannox, to provide additional capacity to and from Arran in the peak season.

It is important that everyone with an interest in future ferry services feels they can engage with the development of routes, vessels and services.

- The previous engagement on the two Islay vessels was extensive and as open as possible to individual, community and stakeholder views – we have taken forward what people told us then into this process.
- But obviously if there is more that we can do to enhance engagement, and learn from this process, then we will of course act on that.

In line with relevant procurement legislation, an open tendering process was led by CMAL as the procuring authority.

- The bid received from this yard represented the best value for money in terms of quality and price.
- The vessels currently in construction at the Cemre yard are progressing well and remain on time and within budget.

CMAL Contracts for 4 Islay Class Vessels being Constructed in Turkey

- As part of the contract, CMAL could not have stipulated that only Scottish or UK suppliers could be used as the Regulations require them to treat economic operators equally & without discrimination and restrict them from artificially narrowing competition by unduly favouring or disadvantaging any particular economic operator.
- It is of course for the shipyard to determine which subcontractors are used to provide equipment and services in the construction of the 4 new ferries for CalMac.

It is wrong to say that no Scottish suppliers are being used. The stabilisers for the vessels are being produced in Fife. These are a critical component for the vessels and have a contract value of around £750k per ship.

- With regard to the steel this is specific marine grade steel and was originally to be procured from Ukraine. Due to the tragic events in that country, the yard has had to procure this from China.
- 58 companies, overseas or based in England, are also set to provide products and/or services for the new build vessels. 40 of these companies have signed agreements, with the remaining 18 companies obtaining signed agreements as the shipyard build programme progresses.
- CMAL is currently compiling information to quantify and publicise the elements of the contract and quantum that will be delivered by Scottish and wider UK based suppliers.

While Ferguson Marine did not bid on these vessels, we are fully committed to supporting the yard.

- Efforts continue to secure a sustainable future, including a pipeline of future work, to help protect jobs and commercial shipbuilding on the Clyde.
- Given our investment programme for ferries, there will be future opportunities for the yard in building new vessels to serve our islands.

We will consider future vessel contracts from public agencies on a case-by-case basis and whether any might be legally open to direct award.

- Direct award of contracts is only legal in strictly limited circumstances under public procurement rules.
- Procurement constraints mean that a direct award of the Islay ferry contract to Ferguson Marine would not be possible

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Assessment of new vessel options for routes across our networks is led by CMAL, Transport Scotland and the relevant operator.

- As part of the design process CMAL appoint naval architects and technical consultants to consider and advise on vessel and route specific issues.
- Various hull forms, propulsion options, fuel types, and onboard arrangements are considered and assessed as part of the design process.
- Engagement with communities, businesses and representative groups is essential, and it is maintained throughout the process.
- Regular engagement and public webinars, including Q&A sessions, are used to be as transparent and open as possible to community and stakeholder views.
- The Ferries Communities Board previously highlighted to the Rural Economy & Connectivity Committee that the Islay consultation process was a model that should be built upon moving forward. This view was echoed by Islay's own Ferry Committee.

SECOND HAND TONNAGE

We continue to task CMAL and the operators to identify and present suitable second hand tonnage options for charter or purchase to support the existing fleets.

- Significant effort is put in to these considerations and assessments, which remain commercially sensitive until the time contracts are agreed. I would like to thank CMAL, CalMac and Serco for their continued support in this work.
- NorthLink and CalMac have successfully chartered the MV Arrow for maintenance and resilience cover in the last few years and we continue to consider if and when this would be appropriate in future.
- In the last six months CMAL have made offers to purchase two second hand major vessels which have unfortunately been unsuccessful.
- Securing appropriate second hand vessels in a limited and competitive market remains challenging and any offers are considered carefully for value for money and affordability.

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CORRAN - LOCAL AUTHORITY FERRY

We welcome confirmation from the Council that the service has returned with their relief vessel MV Maid of Glencoul and look forward to the return of their main vessel, the MV Corran.

- Any longer term decision on the replacement of vessels, including whether a tunnel or bridge option should be considered, is a matter for Highland Council. We will continue our close engagement with the Highland Council throughout this process.
- We absolutely recognise the impacts the unavailability of the Corran Ferry had in terms of disruption for communities, businesses and visitors to the area.
- CMAL are also continuing to work with the Council on improving shoreside infrastructure and the resilience of the service in the longer term.