

Key themes raised in response to the call for views

Introduction

The Net Zero, Energy and Transport (NZET) Committee agreed to undertake an inquiry into Scotland's ferry services at its meeting of 15 March 2022. A call for views on the creation of a modern and sustainable ferry service for Scotland was launched on 1 July 2022. The closing date for submissions was Friday 26 August 2022. This paper identifies key themes raised by respondents to that call for views.

Background

The NZET Committee inquiry aims to identify how best to secure a ferry service that is future-proofed, compatible with Scotland's net zero goals and meets the needs of all service users, having regard to the long-term sustainability of island communities. The call for views focused on three key questions:

1. What do island residents, businesses, and other ferry users need in the short, medium and long term from Scottish Government-supported ferry services.
2. The institutional and funding arrangements that would meet the needs of current and future ferry users.
3. What vessel size, type, deployment, and crewing arrangements would best satisfy the needs identified.

Understanding this Analysis

There are several issues that should be considered when reading this analysis:

- **Respondents were self-selecting:** Generally, only people and organisations with an existing interest in the provision of ferry services, or their impact on island residents, businesses, and the wider community, will have responded to the call for views. This means that the views expressed may not match those of the population as a whole and should not be read as such.
- **Complexity:** Structures governing the provision of Scotland's ferry services are complex and relatively opaque. This complexity may have acted as a barrier to responses from individuals and civil society groups that do not have access to appropriate expertise or understanding of these structures.

- **Stakeholders:** Ferry users are not a homogenous group, they encompass a wide range of interested stakeholders, with often competing priorities and views. Unanimity of views on any issue is unlikely, which will be reflected in the analysis.
- **Timescales:** Given the urgency of this inquiry, there was a limited time available to conduct this analysis.

What are “key themes”?

This analysis aims to highlight key issues and concerns raised by respondents in response to the questions posed in the call for views. It is not a comprehensive summary of every issue raised.

While responses have been received from people located across Scotland’s island groups, and mainland areas served by ferries, the key themes are not broken down by location, as the issues raised are broadly consistent regardless of where respondents are based.

It is worth noting that Committee members have access to every individual response, in addition to this summary.

Who responded?

A total of 394 responses were received from the following categories of stakeholder:

Category of respondent	Number
Individual	357
Local authority	7
Member of the Scottish Parliament	3
Business or business association	13
Academic	2
Trade union	2
Other public sector	6
Community Council	3
Ferry operator	1

The “Other public sector” category included a mixture Regional Transport Partnerships, tourism organisations and equality advisory bodies. 91% of response are from individuals, 3% from businesses, with the remaining 6% split between the other seven categories of respondent. Given that most responses are from individuals and there is broad agreement between the different categories on most questions, the key issues described below have not been broken down by category of respondent. Issues of particular importance to particular categories of respondent are highlighted where necessary.

Overarching theme across responses

There is effective unanimity amongst respondents, regardless of who they are or where they are located, that current levels of ferry service provision fall well below what they considered reasonable. Particular concern focuses on the growth in short-notice service cancellations and the impact this is having on many aspects of life in island and remote rural communities. It should be noted that many respondents praise the efforts of frontline ferry staff, who often work in challenging conditions and with ageing vessels and infrastructure.

Key themes

The call for views posed 17 individual questions, the key themes arising from the responses to each are outlined below:

What do island residents, businesses, and other ferry users need in the short, medium and long term from Scottish Government-supported ferry services?

There were 380 responses to this question.

Respondents were effectively unanimous that service reliability is the key attribute they want to see from ferry services across the short, medium, and long term. Many respondents were clear that reliability can only be delivered by a resilient service, which can cope with natural disruption such as extreme weather events, as well as mechanical breakdowns and staff absences.

In the short term, many respondents argued that this reliability could only be delivered by chartering or buying additional vessels to supplement existing fleets. These vessels should be able to provide a service, whether through vessel size, cabin design or frequency of sailing, which can cope with peaks in demand.

Over the medium to longer term, many argued that reliability could be delivered through a planned, fully funded, rolling programme of vessel replacement and, where appropriate, the development of fixed links such as bridges and tunnels. Many argued for user input into setting key design criteria for new vessels and associated timetables, so they meet the needs of users rather than the desires of agencies involved in ferry service provision.

In addition to reliability, many respondents wanted to see services that were affordable, provided priority access to island residents needing to get to essential services on the mainland and, on appropriate routes, operating to a timetable that allows people to work or go to school on the mainland.

Many respondents from the Shetland Islands specifically highlighted the need for extra, appropriately designed, cabin accommodation on Aberdeen services.

Are current services meeting the needs and sustainability of island and remote rural communities and businesses? This includes the provision of secure employment for those working for ferry services.

There were 371 responses to this question.

Respondents overwhelmingly answered “no” to this question. Common reasons given for this response include:

- unreliability due to last minute cancellations, and the associated knock-on impacts on individuals and businesses, which can result in missed appointments, delayed deliveries, and possibly even spoiled time-sensitive goods.
- the impact of high tourist numbers on islanders’ ability to use ferries when they have need, especially at peak times.
- the inability of visitors (considered vital to island economies) to access services due to capacity constraints, again particularly at peak times. This could be putting people off from even considering island breaks.
- vessels and timetables are a poor fit with the day-to-day needs of residents, businesses, and visitors.
- there is no flexibility in the system, which cannot react to periods of particularly high demand.

Are current services meeting the needs of mainland communities and businesses, including visitors?

There were 367 responses to this question.

Again, respondents overwhelmingly answered “no” to this question. The reasons given largely mirror those highlighted directly above. However, there was a greater focus on the impact that unreliability and a lack of peak time capacity has on the experience of tourists and the impact this may have on visitors returning or choosing island breaks in the first place. Particular concerns focus on the availability of spaces for cars, first and last sailing times poorly timed for visitors and inadequate facilities for the carriage of bikes.

Are service needs different at different times of the year?

There were 371 responses to this question.

Yet again, most respondents were in agreement, answering “yes” to this question. Business respondents, including the Scotch Whisky Association, were clear that their needs were generally consistent throughout the year, subject to certain peaks, e.g., livestock sales. Similarly, islanders had a consistent need for ferry travel across the year. Most respondents argued that the main seasonal change in demand was driven by tourist visits which occur largely from Easter until early autumn and another peak over the festive period. Many noted that high demand for tourist travel creates

the problems of capacity and easy access to services highlighted in the responses to previous questions – as summarised above.

Concerns were raised by some respondents that larger vessels, best suited to dealing with winter sea conditions, underwent annual dry dock maintenance during winter – leaving services to be provided by vessels less suited to operating in those conditions, further reducing reliability for islanders and businesses. Respondents from certain islands, particularly Mull, also raised concerns about the capacity and the capability of vessels operating during winter months.

Which needs are better met by other modes of transport, e.g., air, where available?

There were 351 responses to this question.

Many respondents noted that there is no alternative to ferry travel on many islands. Most respondents that have the option of using air services noted that they were more expensive than ferry travel, only suitable for people travelling with little luggage and that they could also prove unreliable, as flights are also subject to delay and cancellation in poor weather. Several respondents noted the importance of air travel for dealing with medical emergencies and attending appointments in Glasgow and Edinburgh. Many businesses noted that air freight is not a viable alternative to transport of goods by van/HGV via ferry to/from the mainland.

How should the Scottish Government support council-run ferry services?

There were 353 responses to this question.

This question prompted a wide range of responses. A considerable number argued that all publicly supported ferry service provision should be managed and funded directly by Transport Scotland. Others argued that revenue funding should be provided by the Scottish Government but management of services retained locally. Similarly, there was support for capital investment in vessels and harbours to be managed directly by Transport Scotland or central Government funding for this purpose to be provided directly to local authorities.

A broad range of other suggestions were made, including:

- The Scottish Government should support the construction of fixed links between islands and/or the mainland where feasible.
- Islanders should be given a statutory voice in ferry service decision making.
- The Scottish Government should introduce a concessionary fares scheme for islanders.
- The Scottish Government should co-ordinate integrated ticketing and timetabling of ferry, bus, and rail services.

The only local authority to submit a substantive response to this question was Orkney Islands Council. The Council owned Orkney Ferries also submitted a response, which aligned with Council's, which stated:

“The Scottish Government should set a benchmark level of service for council run services (Could be RSM¹, or a new standard) and provide specific grant funding to the councils to fully fund that level of service. Any service provided above the benchmark should be unfunded by Scottish Government. The benchmark should cover fare levels so that there is equity across Scotland's island communities.

It should be acknowledged that the Scottish Government (Specific Grant) revenue funding provided to local authorities over the past three years to run ferry services has been critical in maintaining services.

The Scottish Government must also provide a mechanism to fund the replacement of the council run ferry fleets. This should be based on a comprehensive assessment of the fleet with funding directed at the highest priority vessels first.

Whilst a Ferry Replacement Programme is in place for much of the Clyde and Hebrides Ferry Service (CHFS) which is fully funded by Scottish Government, there is currently no commitment of similar funding to replace Orkney's ferry fleet, many of which are in imminent need of replacement, despite the service now being fully revenue funded by Scottish Government.”

How can ferry users and island communities be involved in decision making at strategic and operational level?

There were 353 responses to this question.

Many respondents were strongly supportive of the appointment of island, or remote mainland community, representatives to the boards of publicly owned ferry service companies. Many were keen to emphasise that these appointees should represent a broad range of community views, rather than those of a vocal minority that can dominate debate on this issue.

Several respondents asked that island residents and ferry users be consulted from the earliest stages in the development of ferry service contracts and vessel specification.

Many respondents also asked for the creation of robust feedback mechanisms that require ferry operators to respond to reasonable suggestions for service improvements from users.

¹ RSM: Routes and Services Methodology use by Transport Scotland in the development of the Ferries Plan to ensure a consistent approach to the provision of ferry services across Scotland.

Several respondents highlighted how frustrating it has been to respond to multiple ferry related consultations, the results of which seem largely to have been ignored. Similarly, many highlighted the importance of public authorities and operators truly listening to what communities have to say and then acting on the views expressed, rather than undertaking consultation as an end in itself.

What institutional and funding arrangements would most likely deliver service patterns, vessels, and crewing arrangements that meet the needs of current and potential future ferry users?

There were 316 responses to this question.

Many respondents did not feel qualified to answer this question, considering it a job for Government, ferry experts and/or operators. Amongst those that expressed a view there were several clearly competing approaches to how ferry services should be provided, including:

- The creation of a single publicly owned and funded ferry operator, assuming the roles of CMAL, CalMac Ferries, Northlink and other public sector ferry operators to manage the provision of publicly supported ferry services. Advantages included increased purchasing power, reduction in overheads by eliminating duplication of back office roles, and the creation of a centre of excellence.
- Open, competitive tendering exercises for the operation of individual publicly-supported ferry services or small bundles of services as happens in countries such as Norway. Advantages included a focus on meeting customer needs, cost reduction, and the use of cheaper, more efficient vessels bought by operators with an understanding of competitive pressures.
- There should be local management of ferry services, regardless of whether they are operated by public or private sector organisations.

Can the current tri-partite arrangement (Transport Scotland, Caledonian Maritime Assets Ltd (CMAL), Ferry Operator) for managing most ferry service provision be improved?

There were 324 responses to this question.

Most respondents argued that current arrangements could be improved, many pointing to the current breakdown in service provision and well documented problems in vessel procurement as evidence that the current system is not working.

As with the previous question, many respondents did not feel qualified to suggest a replacement for the current arrangements. Again, amongst those that did express an opinion there was a spread of views, including:

- CMAL and CalMac Ferries should be merged to provide a single organisation responsible for the provision of Clyde and Hebrides ferry services.
- Transport Scotland, CMAL and others should learn from the experience of efficient private sector operators, such as Western Ferries and Pentland Ferries, and contracting authorities and operators in countries such as Norway and Denmark.
- There should be a greater role for the private sector in the provision of publicly supported ferry services.
- The role of the Scottish Government in the future provision of inter-island ferries, currently managed by local authorities, needs to be clarified.

Can current tendering arrangements be improved, e.g., through service unbundling?

There were 315 responses to this question.

A significant number of respondents did not feel they had the knowledge required to answer this question. Amongst those that did answer, many simply answered “yes” arguing that the current breakdown in service provision and problems in vessel procurement obviously meant that existing arrangements could be improved.

Amongst those who described favoured alternatives, many pointed towards the Norwegian model of competitive tendering of individual, or small groups of, services. This was felt to offer the opportunity for greater innovation, tailoring of services to meet local needs and even the opportunity for local communities to bid to operate their own ferry service. Several respondents were keen to dispute claims that the current bundling of services provides economies of scale, cross subsidy of less profitable routes or the maintenance of relief vessels to cope with disruption – as there was no evidence of any of these happening at present.

Opposition to unbundling was expressed by a small number of respondents, who raised concerns that private sector operators could cherry pick more attractive or profitable routes. This could leave uneconomic and loss-making routes in the hands of the public sector, increasing the level of subsidy required for their continued operation as cross-subsidy would no longer be possible.

The TSSA (Transport Salaried Staffs; Association) trade union was clear in its view that:

“We see this [unbundling] as more of an ideological intervention rather than one that will benefit ferry users because in our experience in the railway industry, the priority becomes making a profit for shareholders over the provision of a service...unbundling services will lead to a loss of employment security for the employees who are transferred to the private sector.”

Can Scottish Government subsidies be better deployed to meet the needs of current and future ferry users?

There were 319 responses to this question.

Most respondents answered “yes” to this question. Several changes to current financial arrangements were suggested by some respondents, including:

- The requirement for subsidy on certain popular routes should be reconsidered. Some respondents asked whether private sector operators could provide such services without the need for any subsidy.
- The Road Equivalent Tariff (RET) fares scheme should be reviewed, as the growth in ferry usage it has encouraged (particularly by tourists) has not been accompanied by an increase in carrying capacity. This means islanders, or people living in remote mainland communities, often cannot access services at short notice during peak times. Some respondents suggested that RET fares (or some other form of discount) should only be available to islanders and people living in remote mainland communities.
- Consideration should be given to the construction of fixed links (bridges and tunnels) where technically feasible.
- Procurement arrangements for new ferries should be reviewed, to ensure vessels both meet the needs of users and provide value for money.

Are current services providing best value for the taxpayer?

There were 333 responses to this question.

Respondents overwhelmingly answered “no” to this question. Many pointed to the decline in service reliability and quality experienced by ferry users in recent years. Much of this decline is attributed to the increasing age of ferry fleets, leading to a growth in mechanical failures and cancellations, and the failure to secure new vessels that meet the needs of users.

Several respondents also raised concerns about the cost of current crewing arrangements on CalMac Ferries vessels. Arguments focussed on two main issues, the first being the cost of overtime due to insufficient staff for holiday and absence cover. The second concerned vessel design and deployment, arguing that there is no need for catering and other staffed facilities on short sea crossings or for staff accommodation on most vessels. Both of these arrangements significantly increase the cost of purchasing and operating services.

What size and types of vessels are required?

There were 342 responses to this question.

Answers to this question were clearly influenced by respondents’ personal experience of particular ferry services. However, several key themes applicable across Scottish ferry networks do emerge from the responses:

- Vessels should be of a size and design that can cope with winter sea conditions, while being able to reliably berth within existing harbour facilities.
- Vessels should be versatile, being able to serve multiple routes across a network, without the need for expensive alterations to harbour facilities.
- Vessels should, as much as possible, be based on standardised designs. This helps reduce design, construction, and operating costs.
- Consideration should be given to the use of catamaran designs, as used by Pentland Ferries and many operators across the globe, for new vessels as these are cheaper to buy and operate.

Two more route specific key themes were also apparent from the analysis of responses:

- Many respondents from Shetland were keen to see more, and better quality, cabin accommodation on Northlink services.
- Many respondents from islands served by shorter routes to the mainland argued that they would be better served by a larger number of smaller vessels, providing more frequent sailings, than less frequent sailings on the large vessels currently favoured by CMAL.

What type of sustainable propulsion systems (including energy-use and moves to low carbon systems) would meet the needs of ferry services?

There were 311 responses to this question.

Most respondents answered that this was really a question for experts in ferry design and operation. Those that did offer an answer were generally keen to see low or zero emission propulsion systems used, as long as these were proven to be reliable in all weathers, not likely to become obsolete quickly and offered value for money.

Some respondents were of the view that vessels used to provide lifeline ferry services are not an appropriate testing ground for new propulsion systems. They argued that new vessels should only be powered by tried and tested diesel technology, noting that modern diesel engines are much cleaner than those in existing vessels.

How can we ensure ferries are compatible with harbour facilities?

There were 319 responses to this question.

Again, many respondents answered that this is a question best directed at appropriate experts. However, several key themes are apparent amongst answers from those who did express a view. These include:

- There should be standardisation of new vessels, vehicle ramps, passenger gangway doors and harbour facilities, allowing vessels to serve multiple harbours.

- New vessels should be built to fit current harbours, rather than requiring expensive and disruptive adaptations to harbours to accommodate them.
- Experienced mariners and local communities should be involved in setting the design criteria for new vessels, so they are compatible with the facilities available and sea conditions experienced at relevant harbours.

In addition to these general points, several respondents from the Northern Isles highlighted that Aberdeen harbour (despite its central location in the city) did not provide a robust mainland base for Northlink services, as it is too small to cope with larger vessels and is sometimes closed in poor weather. Rosyth was suggested as a possible alternative by some.

What type of onboard crew accommodation is required?

There were 305 responses to this question.

Most respondents did not think they had the required knowledge of ferry crewing arrangements to answer this question. Amongst those that did respond most considered that crew accommodation should be the minimum necessary, of a good standard, to provide the required level of service. There was also support for crews (particularly on vessels serving shorter distance routes) living on islands or using onshore accommodation, rather than living onboard. There was an acknowledgement that the recruitment of local people from small island communities into specialist roles might not always be possible and there would be an ongoing requirement for some onboard accommodation.

Current procurement criteria and processes: what are their strengths and weaknesses? Are they “future proofed” to accommodate new technologies and the need for sustainable low-carbon travel?

There were 279 responses to this question.

Many respondents stated that they could not answer this question, as it required expert knowledge of ferry procurement processes. Amongst those that did comment, many argued that the significant delays and cost over-runs of Hulls 801 and 802, currently under construction at the Ferguson Marine shipyard, show that procurement processes are not fit for purpose.

As mentioned in response to some previous questions, some respondents argued for the procurement of a standardised fleet (possibly consisting of standard small, medium, and large vessels) which should be cheaper to buy and operate. Some also argued that consideration should be given to the use of catamarans on appropriate routes, rather than traditional monohull designs.

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