

Fiona Hyslop MSP Cabinet Secretary for Transport Scottish Government

By email only

Net Zero, Energy and Transport Committee c/o Clerk to the Committee Room T3.40 The Scottish Parliament Edinburgh EH99 1SP

netzero.committee@parliament.scot

13 March 2024

Dear Fiona,

Small Vessel Replacement Programme

Thank you for your <u>letter of 8 February 2024</u> on the Small Vessel Replacement Programme. The Committee is pleased to hear of the public engagement activities that have taken place so far and how these have influenced the design of the vessels.

On 23 February, some Committee Members and staff visited the Ferguson Marine Port Glasgow shipyard. The Committee then heard from senior FMPG management at our meeting of <u>27 February</u>. Following this meeting, the Committee agreed to seek further information on the Small Vessels Replacement Programme. Please find a series of queries in the Annexe to this letter.

On behalf of the Committee, I request a response to these by 10 April 2024.

Yours sincerely,

Edward Mantain,

Edward Mountain MSP Convener Net Zero, Energy and Transport Committee

Annexe

- 1. In your letter of 8 February, you said "The Small Vessel Replacement Programme (SVRP) will see Caledonian Maritime Assets Ltd procure up to ten small vessels across two phases which will serve the Clyde and Hebrides Ferry Service network." [emphasis added] In evidence to us, the Deputy First Minister talked about seven vessels. Please can you confirm to the committee how many vessels will be procured in each phase and in total, as island communities require certainty about continuity of service in future years.
- 2. You also said the Scottish Government is currently "considering the outline business case for the Small Vessel Replacement Programme" and that a decision on investment has not yet been taken. Please could you confirm what aspects of the Small Vessel Replacement Programme are included in the business case?
- 3. You said the first vessel was due to be delivered in the third quarter of 2026 and then further vessels at four-to-six-month intervals. Assuming that CMAL intends to competitively tender these contracts, can you assure the Committee that CMAL and/or Transport Scotland has established that there are sufficient competent shipyards willing and able to undertake work of this scale within these deadlines, so as to ensure value for money for the taxpayer.
- 4. <u>FMPG told the Committee at its meeting of 27 February 2024</u> that it can build the SVRP ferries, but that capital investment in the shipyard would allow them to do so more efficiently. The Committee understands from the statement of the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy on 5 March that the Scottish Government has supported the yard to compile an updated business and investment case which will allow that investment to be provided without contravention of subsidy control issues. Is it the Scottish Government's preference to directly award some, or all, of the SVRP contract to Ferguson Marine?