

PE2029/P: Nationalise Clydeport to bring the ports and harbours on the river Clyde into public ownership

Petitioner written submission, 27 August 2024

During the past year our Campaign has been compiling information on the operations of Peel Ports (PP), The City Deal (CD), Transport Scotland (TS), Inverclyde Council (IC), Inverclyde Taskforce (IT) and Inchgreen Marine Park Ltd (IMPL) – a Joint Venture between IC and Clydeport/Peel Ports. We believe there has been insufficient scrutiny of applications for funding and inadequate measuring of the benefits in the use of public funds by the Scottish Government, its agencies, and their offshoots. We have created several FOI requests to build a picture of how companies, particularly the offshore conglomerate of companies - The Peel Group - have attracted millions in public funds without creating any sustainable jobs or benefits for our community. We have written to the Auditor General Stephen Boyle and Deputy First Minister Kate Forbes with our observations and views and will continue our oversight.

The CD funding process seems to lack adequate scrutiny when funding is awarded based on regenerating a critical national asset (Inchgreen Dry Dock), which was omitted from the IMPL Joint Venture. Whether the applications fulfil their objectives, or the proposed companies actually move onto the park to provide jobs and generate private investment, seem to be overlooked. The £10.6m of public funds awarded through Inverclyde Council to fund IMPL was spent on refurbishing Inchgreen **but not the dry dock**, which Peel Ports omitted from the JV. IC's application mentioned 5 companies who would be setting up businesses on Inchgreen, none of which have done so. Was adequate due diligence carried out by IC or IMPL and should their claims be investigated? Will funds allocated based on proposals that remain unfulfilled be clawed back? It seems public money was used to refurbish parts of the harbour that PP was responsible for as the harbour authority, but they'd made no investment in 22 years of their ownership. They also received an early bonus of £48,000 from IC on top of £252,000 from CD fund allocation, receiving the Deeds of the former McKechnie Jess plot. Our FOI requests also uncovered the incompetence of the IC negotiating team, which failed to secure Inchgreen dry dock's future by allowing PP to omit the dry dock from the JV and failing to protect it from any future hostile IMPL lease holder blocking the operation of our strategic national asset.

The British Ports Authority submission states that Peel Ports has "a strong track record of investing in infrastructure". In reality, during its 21-year ownership of Clydeport there has been minimal investment in 'infrastructure'. The only significant investment over this period has been in 'superstructure' such as a couple of new container cranes. The cruise terminal building was funded by IC. Zero private investment has been made in Inchgreen dry dock. PP's failure to invest in Ardrossan has led to ferry services there moving to Troon.

There is no evidence that privatised ports such as Clydeport "works well for users, regional economies and the people of Scotland". Indeed, the opposite is evident, with fewer users of the port and declining shipping activity, largely due to high port charges and obsolete infrastructure. Scottish trade has consequently fallen over

recent decades, and economic growth is virtually zero. As trade is dependent on modern efficient seaports and competitive charges, it's clear that PP has done nothing to benefit the regional and national economy or the people of Scotland.

BPA's submission reeks of 'never bite the hand that feeds you!'

CalMac Ferries Ltd are critical of PP lack of investment over 22 years that has led to the disruption of services from Ardrossan Harbour. Former Transport Minister Jenny Gilruth criticised the lack of investment and the lack of progress. PP appear to be waiting for further public funding before committing any investment of their own as has been typical since their arrival on the Clyde.

The Malin Group support and highlight the Trust Port model in preference to the private model, which has merely led to declining trade year on year.

Ferguson Marine Trade Union Representatives see Ferguson's future lies by linking Inchgreen dry dock with their yard, which currently has no dry dock facilities. This would enable their yard to build larger ships and diversify into ship repair and servicing.

The yard has been successfully building ships and ferries for over 100 years but currently its reputation is in tatters because of the Glens Sannox and Rosa debacle. The fault clearly lies with CMAL, whose ferry design was not fit for purpose as evidenced by the 4 ferries now being built in Turkey, which will be powered by diesel engines. CMAL's choice of LNG propulsion for the Glens Sannox and Rosa has been the major cause of numerous delays and rising costs of the contract.

Our Campaign supports linking Ferguson's yard and Inchgreen dry dock and has proposed a 20-year plan to build the new Scottish Ferry Fleet at Fergusons, Inchgreen and Govan dock. We discussed the plan with Kate Forbes when she was Cabinet Secretary for Finance and it's currently with Transport Minister Fiona Hyslop. The plan was developed by The Clyde Catamaran Group led by the Chairman of the Sea Transport Corporation and comprised of others including myself as Secretary. The catamaran MV Alfred currently supporting the Arran route is based on a Sea Transport Group design.

In conclusion, we believe there should be a parliamentary investigation into Peel Ports perceived economic benefit on the Clyde as trade tonnage has dramatically reduced. A forensic check should be made on their investment claims in their submission stripping out the public funds, such as their claim regarding the cruise terminal visitors centre, which was built with public funds from CD & IC. Other than replacing the two Container Terminal cranes, there has been no other industrial investment, and no sustainable jobs created. Their performance as the harbour authority has been abysmal with our river traffic now being controlled from Merseyside.