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Colin Smyth MSP  
Convener  
Economy and Fair Work Committee  
Scottish Parliament  
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19 December 2024

Dear Convener,

The Deputy First Minister and Cabinet Secretary for the Economy and Gaelic indicated in her recent appearance that she would ask me to write to the Committee in response to questions relating to the potential merger of ferries bodies.

I understand that the committee was interested in consideration of including Ferguson Marine Port Glasgow in a reformed structure that could guarantee an ongoing workstream of vessel construction and repair for the yard.

In my statement to Parliament on 16 November 2023 regarding the direct award of the next Clyde and Hebrides Ferry Services (CHFS) Contract to Calmac, I made clear that whilst all options for a change in current ferry structures remain under consideration, the current focus is on ensuring that the structure of Calmac allows the direct award to take place. Work is currently underway to ensure that Calmac would meet the definition of a Teckal compliant body in advance of the new CHFS contract being put in place by October 2025.

Once this work is complete we will turn our minds to the future reform of the bodies involved in delivering services, with the initial focus on the relationship between the three tripartite bodies of Transport Scotland, Calmac and Caledonian Maritime Assets Limited.

As the DFM highlighted in her comments to the Committee, this is not a straightforward process and although the potential for merger of some of these bodies has been considered in some detail, there are significant legal and other issues that would need to be considered around any such amalgamation.

The Committee may find it helpful to review the detailed work already undertaken as part of Project Neptune which is available at the following link - [Strategic framework of options for the CHFS network - Project Neptune | Transport Scotland](#).

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Although Project Neptune specifically focused on the three bodies involved in the provision of ferry services (Calmac, CMAL and Transport Scotland), the report highlights much of the detail and complexity that the DFM referenced.

I hope that you find this information helpful in consideration of your work.

Yours sincerely,



**FIONA HYSLOP**  
**Cabinet Secretary for Transport**

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