

Net Zero, Energy and Transport Committee
 Tuesday 7 January 2025
 1st Meeting, 2025 (Session 6)

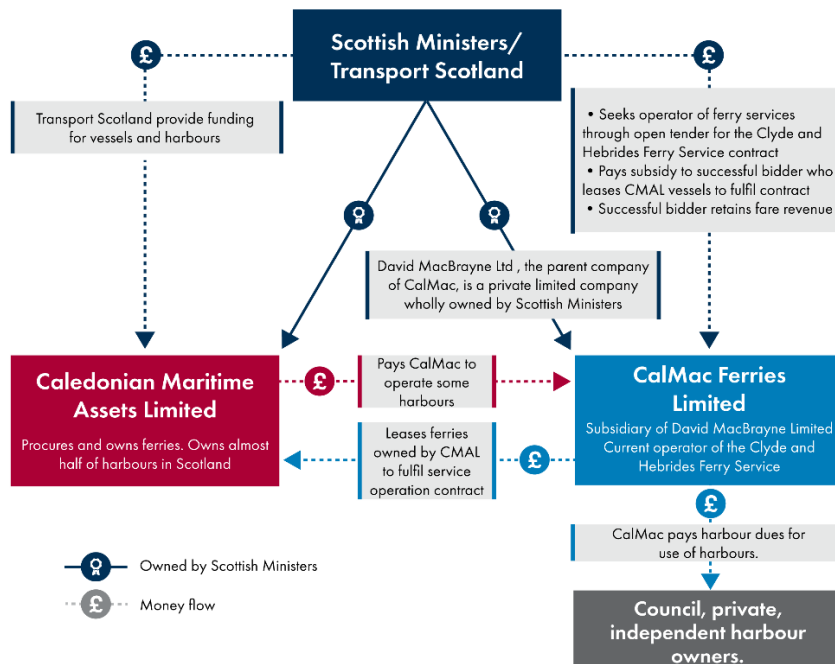
Ferry Services in Scotland – Evidence from Caledonian Maritime Assets Ltd

Background

1. The Committee’s 2022-23 inquiry into [A Modern and Sustainable Ferry Service for Scotland](#) in 2022/23 concluded that Scotland’s ferry-users, especially users of Clyde and Hebridean services, were being let down by increasingly unreliable services, and that—

“the root causes of the current problems include an ageing fleet, lack of resilience, increased usage and a pass-the-parcel of responsibility culture in governance structures.... The Scottish Government must create the governance and delivery structures best able to realise an ambitious vision. The current system has been a recipe for confusion and buck-passing that cannot be allowed to continue.”

2. The governance structure for publicly-supported Clyde and Hebridean ferry services is broadly tripartite, involving Transport Scotland (a Ministerial agency under the direction of the Cabinet Secretary for Transport); [Caledonian Maritime Assets Ltd](#) (CMAL), and Caledonian MacBrayne Ltd (CalMac). CMAL and CalMac are both companies owned by the Scottish Government.



3. CMAL currently owns 37 ferries, 32 of which are leased to CalMac Ferries Ltd and five to SERCO Northlink, which runs ferries to the Northern Isles. CMAL also leads on the procurement of new vessels for these services. CMAL owns 16

Clyde and Hebrides harbours and owns or leases properties and port infrastructure at 10 other Clyde and Hebrides locations.

4. Transport Scotland sets out its plans for replacement of CMAL owned vessels and port upgrades in the [Islands Connectivity Plan: The Vessels and Ports Plan for the Clyde and Hebrides and Northern Isles networks \(2024 – 2045\) - Draft for consultation](#). If delivered, the plan will reduce the average age of the CMAL fleet to 15 years, from the current average of 25 years.
5. The Committee has continued to keep a watching brief on ferry services since the inquiry, following up on whether its main recommendations have been followed and on whether services are improving. In its report, it said the Scottish Government—

“...should set out how it will deliver on its commitment to reduce the average age of vessels to 15 years by 2030. The Islands Connectivity Plan¹ must go further than these projects and establish a commitment and long-term, rolling programme of investment in new vessels and associated harbour developments. The design of new ferries and ports and harbours should be standardised, and the Scottish Government should consider where routes currently served, or due to be served, by large vessels could be better provided by a higher number of smaller vessels.”

6. This session with senior management at CMAL is an opportunity to monitor their progress procuring and maintaining a resilient and reliable ferry fleet.

Glen Sannox (801) and Glen Rosa (802)

7. Two large vessels procured by CMAL for Clyde and Hebridean services have been subject to serious delays and cost increases—
 - The Glen Sannox (initially known as Hull 801), and
 - The Glen Rosa (initially known as Hull 802).
8. These are being built by Ferguson Marine Port Glasgow (FMPG); a company owned by the Scottish Government after the predecessor company awarded the contract entered liquidation in 2019. Despite the procurement process having been started around 10 years ago, neither vessel is yet in service.
9. The Committee last took evidence on the two vessels on [26 November 2024](#), when it heard from FMPG senior management. The [clerk’s paper for that meeting](#) notes the main conclusions of a highly critical 2021 report about the procurement process for Hulls 801 and 802 by this Committee’s predecessor in the 2016-21 Parliamentary session. It outlines this Committee’s scrutiny of this issue over this session, as it seeks to hold to account FMPG, the Scottish Government and other relevant bodies to complete the works as soon as reasonably possible and minimise remaining costs.
10. The 26 November clerk’s paper also provides a timeline for the vessels, setting out how delays and cost increases have unfolded, with a focus on recent

¹ The Scottish Government’s vision for islands connectivity, including publicly-supported ferry services, which is being brought forward in stages: [Islands Connectivity Plan | Transport Scotland](#)

developments. It notes that CMAL finally took ownership of the Glen Sannox in autumn 2024, and is undergoing sea trials, whilst the Glen Rosa is still under construction.

11. Problems with the Glen Sannox's anchor were discussed during the 26 November meeting. The problems had arisen when the vessel's seaworthiness was being tested during 2024 prior to sign-off and transfer of ownership to CMAL. The Committee heard that CMAL had accepted the vessel despite remedial works still being required to the anchor's safety mechanism to enable it to sail.
12. During the meeting, the Committee also heard that FMPG's interim Chief Executive had 90% confidence the Glen Rosa would be handed over to CMAL by September 2025.²
13. The Committee received a further update from FMPG on [19 December 2024](#). It said that—
 - Glen Sannox is currently going through “shakedown” with CalMac and that replacement anchor systems will arrive in February 2025. No date is set for installation and the impact on the timing of Glen Sannox entering service is not yet known.
 - Regarding completion of the Glen Rosa, FMPG “are not yet able to provide a final date and cost to the Committee as various scenarios are currently being worked on with a view to presenting a revised plan to the Board for discussion and approval at the FMPG Board meeting taking place on 30th January 2025.”

Use of liquefied natural gas (LNG) on Glen Sannox and Glen Rosa

14. The Glen Sannox and Glen Rosa will be the first vessels in CMAL's fleet to use LNG. FMPG have described challenges arising from installation and use of this fuel as being one of the main causes of delays, but that it was now working “fabulously”³ on the Glen Sannox.
15. In their [written submission](#) to the Committee's 2022-23 ferries inquiry, CMAL told the Committee that, by using LNG and not diesel, the two vessels would produce fewer harmful emissions—

“It is anticipated that these vessels will reduce the carbon footprint of our ferry fleet by 25 per cent overall and almost eliminate emissions such as NO_x, SO_x and particulates.”

16. CMAL have [since amended this evidence](#)—

“We have two dual fuel vessels under construction, the MV Glen Sannox and MV Glen Rosa, that will be able to operate on both marine gasoil (MGO) and liquefied natural gas (LNG). Burning LNG as a fuel produces lower carbon emissions than MGO and almost eliminates other harmful emissions such as nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulates. When the dual-fuel engines are operating on LNG, the carbon emissions will be reduced by around 25% when compared to the engines operating on MGO.”

² NZET Committee, Official Report, 26 November 2024, col 9

³ NZET Committee, Official Report, 26 November 2024, cols. 6-7 and 10

17. The Convener recently received correspondence on the measurement of LNG emissions, which he asked the clerks to publish as [written evidence](#) for this session.

Vessels for Islay and the Little Minch

18. In response to a recommendation on the Committee's report, CMAL have been providing it with quarterly updates on its main current procurement programme: four new vessels for Islay and the Little Minch. The contract for these was won by the privately-owned CEMRE shipyard in Turkey.
19. Recent updates have notified several delays in the anticipated delivery date for the first scheduled vessel, MV Isle of Islay. CMAL expected this to be delivered in October 2024 and be in service by November but this was put back first to [end 2024](#) and then the [beginning of 2025](#). The update of [18 December 2024](#) now puts the delivery date beyond February 2025.
20. The second vessel in this programme, the MV Loch Indaal, [was originally](#) due to be delivered in February 2025 and in service by the end of March but the [latest update](#) places completion of the vessel in quarter 2 of 2025.

Small Vessel Replacement Programme

21. The Small Vessel Replacement Programme is a programme to deliver seven new electric vessels in phase 1 and ["up to"](#) three vessels in phase 2 for the Clyde and Hebrides network. [Phase 1 also includes associated port works and shore power upgrades on various routes](#).
22. CMAL announced procurement of the Phase 1 vessels was underway on [16 July 2024](#). This is to be [It was also tendering process](#) rather than a direct award to FMPG, as the yard had hoped. However, FMPG is one of six yards competing for the work. CMAL anticipate the award will be made in March 2025.

Next steps

23. The 7 January session is part of the Committee's rolling scrutiny of ferry services, which will continue over the rest of this Parliamentary session. The Committee will be taking evidence on the Scottish Budget 2025-26 from the Cabinet Secretary at its 21 January meeting and progress in achieving a modernised ferry fleet and improved ferry services is likely to be raised at that meeting.

Clerks to the Committee
December 2024