



COUNCIL OF THE ISLES OF SCILLY

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Rt Hon Mark Harper MP
Secretary of State for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR

24 November 2023

Dear Secretary of State,

Isles of Scilly Transport Links

I am writing on behalf of the Council of the Isles of Scilly to seek assurance that the government will maintain the opportunity to deliver the new vessels using Levelling Up funding and if necessary, take any further steps required to ensure affordable sea and air links are provided to support the community and businesses on the Isles.

As you may be aware, there is currently considerable uncertainty about the future provision of the sea link services following the announcement by the Isles of Scilly Steamship Group that it intends to replace the existing vessels using private finance. The business case submitted to your department in September clearly demonstrated the debilitating impact funding the vessels in this way would have on the islands' community and economy, due to the higher passenger fares and freight tariffs that would be required to meet the financing costs.

Whilst the proposals for new passenger and freight services recently announced by Harland & Wolff offers the potential for significant service improvements and lower fares and tariffs for part of the year, the company has said that the ability to provide these services throughout the year and meet the lifeline link requirements is dependent on delivering the new vessels using Levelling Up funding. The company is keen to have the opportunity to participate in a competitive public procurement process to achieve this.

Whilst the Council is not a local transport authority, it remains ready to seek competitive bids for the design, build, operation and maintenance of new vessels using the Levelling Up funding available, should the Steamship Group not be able to proceed with its plans for any reason. Given the Isles rely on these services, it is therefore essential that the department continues to support the Council in keeping a publicly funded option available to deliver the new vessels.

If the vessels are delivered using private finance, then the affordability of the passenger and freight services will become the key issue which the Department for Transport will need to address. The current costs of fares and freight for our community, its businesses and our visitors are unaffordable and unsustainable now. If the vessels are delivered using private finance, then the costs will increase to a level that will seriously threaten the whole sustainable future of the Isles of Scilly.

The uncertainty around future transport links also extends to the fixed wing air service which provides the only passenger link to the mainland in the winter, supports the delivery of key services and medical transfers throughout the year and the visitor economy on the Isles throughout the tourist season. This service is also provided by the Steamship Group who state that they use profits from their sea link operations to subsidise the current air service. The possibility of the cross-subsidy being lost has called into question how this service would be provided in the future. It is too early to say whether another airline would come in and operate the route commercially.

Whilst we currently wait to see how the current situation develops and what this will mean for both the sea and air services, it is prudent that the department puts plans in place to ensure these lifeline services are safeguarded should the need to intervene arise at any point in the future. The Council remains fully committed to working with the department to achieve this objective.

I look forward to receiving assurance from the department that the Levelling Up allocation will be maintained, and that the department will take necessary steps if required to ensure affordable sea and air links are provided to support the community and businesses on the Isles.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Francis', written in a cursive style.

Councillor Robert Francis
Chairman of the Council of the Isles of Scilly

Copy to:

Derek Thomas MP