



COUNCIL OF THE ISLES OF SCILLY

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Rt Hon Michael Gove MP
Secretary of State for Levelling Up, Housing and Communities
2 Marsham Street
London
SW1P 4DF

28 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 your assurance that the Levelling Up funding allocated for the replacement of the existing passenger and freight vessels is maintained.

As you will be aware from the discussions which took place at the last meeting of the Islands Forum, providing resilient, efficient and affordable transport links is a challenge faced by all the islands around the UK. Whilst the commitment you gave to establish a task and finish group to look at this in more detail is fully supported by the Council, the Isles of Scilly faces a more immediate challenge following the announcement by the incumbent operator, the Isles of Scilly Steamship Group, that it intends to replace the existing vessels using private finance. The business case submitted to the Department for Transport 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 therefore 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 continues to work closely with the Department for Transport and National Shipbuilding Office and 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 Levelling Up allocation is maintained in order to keep 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 a key issue which will become the responsibility of the Department for Transport to address.

Whilst we currently wait to see how the current situation develops and what this will mean for the sea link services, it is prudent that the Levelling Up allocation is maintained. In order to reduce risks further, the Council has written to the Department for Transport to request that plans are also put in place to ensure these lifeline transport services continue to be available to meet the needs of the Isles.

I look forward to receiving your assurance that the Levelling Up allocation will be maintained and to meeting with you again at the next Islands Forum to update you on progress.

Yours sincerely

A handwritten signature in black ink that reads "Robert Francis". The signature is written in a cursive style with a large initial 'R'.

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

Copies to:

Derek Thomas MP