

Text of letter sent to members of the IOS Council on ~ 20 March 2014:

Dear Member,

House of Commons Transport Committee Hearing 'Passenger transport in isolated communities.'

The Hearing on 3 March focussed the minds of the Committee and those giving evidence on Scilly's transport problems and possible solutions, with interesting discussions about the need or otherwise for a subsidy for some or all of the services to and from the mainland.

Martin Vickers MP expressed amazement that 'transport to the isles was as bad as it is. I am amazed to find that, unlike most of the Scottish islands where ferry services are heavily subsidised, your ferry service has none at all.' Martin Vickers asked if there had ever been an alternative structure looked at in terms of a franchise that would receive some sort of public support. FRIST replied 'we would love it, but no', but it was surprising to hear Theo Leijser say that the islanders were proud of delivering their own solutions, that the 'current operator is commercially viable' and that the only problem is with resilience. Is the Chief Executive speaking on behalf of the Council here, and if so, is the Council speaking on behalf of the community?

What seems to have been missed is that there is strong evidence of a direct connection with falling visitor numbers (17% in 2 years); rising fares (average 18% in 2 years); more visitors saying they will not come back because of high fares; and the lack of resilience in the services, largely because the operator cannot afford to build a new ship, surface the runway at Land's End, operate an all year round ferry service and reduce fares to anything like the Scottish levels.

We know that Cornwall Council is seeking a PSO (Public Service Obligation) to retain the Newquay-Gatwick flights. So Cornwall Council, which is the Transport Authority for Scilly, demonstrates no objection to the principle of subsidy for a transport service. In addition, Augusta Westland has commissioned Price Waterhouse Cooper to look at the case for a helicopter service to serve Scilly under a PSO. When consulted in this imminent exercise, is the Council going to object on principle? If so, why did the Council promote a freight-only subsidy at a previous meeting with Minister for Transport, Norman Baker? In the public view there will probably be no significant difference in the principles of government assistance with capital projects (like harbours and airports) with revenue support for the actual service. . It is widely recognised in Scilly that we are very reliant on external support.

It is a frustration for FRIST that the Scottish model of funding their recent new vessels via an operating deficit subsidy, which can result in increased numbers of passengers thereby reducing subsidy support, has not been a matter for further study. . There is no evidence that the transport operator can afford a new purpose built replacement vessel, nor a good quality second-hand ship which could be accommodated by improved harbours. I think that the Chief Executive's statement that a subsidised service would be bad for Scilly requires further explanation and that it should be debated as an issue of transport policy. In FRIST's experience of feedback this view would not have the support of the electorate.

Although FRIST has ostensibly promoted the sea link as the 'lifeline' transport most likely and most appropriate to qualify for subsidised support, there is no doubt that a new helicopter service would be hugely welcomed by the majority of the community and visitors. If the only way for such a service to be realistic and affordable is via a subsidy, then FRIST would not be rigid in its view that the ferry service is the only mode of transport to be regarded as 'lifeline'. In Scotland there are precedents for PSO routes to some islands served by both ferry and air services, and others where one is subsidised and the other not.

The Minister has asked us to come back with a clear and unified message on what is needed for Scilly. FRIST's wide support is based on its objective of 'affordable, reliable, all year transport services comparable with those provided in the Scottish and other EU isles'. Recent discussions in and with Government have not ruled out revenue support per se and it is hoped Councillors agree that we would be acting against the interests of our community if we do not at least explore these opportunities.

Marian Bennett

Co-ordinator of FRIST

March 2014