

19.06.2023

Open letter from:

Iona Community Council, Mull Community Council, Mull & Iona Ferry Committee, North West Mull Community Woodland, Mull and Iona Community Trust, Visit Mull and Iona, South West Mull and Iona Development.

Fiona Hyslop, Minister for Transport

Dear Minister,

Firstly, congratulations on your appointment and welcome to your new role as Minister for Transport. We look forward to working with you in the coming years on critical issues such as the Islands Connectivity Plan and vessel replacements for the Craignure-Oban service among others.

You enter office at a time of intense crisis for the Hebridean ferry system. Most of the issues we face have their roots in strategic errors and policy failings over many years. Those failings have come to a head in the past few months, with the collapse of the winter overhaul plan. Now in mid-summer, one major vessel is still in dry-dock and another enters its fifth month of lay-up.

The economic and social impact of the service disruptions we have endured these past 6-7 months are huge and unprecedented. Many island businesses who are still recovering from the trauma of the Covid19 pandemic are being pushed to the brink. Individuals and businesses are questioning whether life in the Hebrides is still viable.

Together with our Community Councils and other key community organisations from Mull and Iona, we have undertaken a comprehensive survey of businesses to quantify the impact of recent ferry disruption. The survey report is attached.

As a direct consequence of our failing ferry service, businesses on Mull and Iona tell us they have cumulatively been hit with increased costs totaling more than £400,000. On top of that, they have lost sales worth £1.05 million. Note that not every business was able to respond to the survey so these figures understate the full magnitude of the losses. For an island group with a little over 3,000 residents, economic damage totaling nearly £1.5m in a matter of months cannot be absorbed.

Of those who report a drop in turnover this year, the average decline is 27%. That is on a par with the impact of Covid19 for many businesses.

The effect on business confidence is truly worrying. Not only do 92% of respondents say it has had a negative impact on their business confidence, but 18% of them say that impact is so severe that it leads them to question their future viability.

Included in the survey are accounts of how our island businesses have been impacted, not just financially with increased costs and lost trade, but also the personal stress and anxiety created. A selection of those testimonies are at the foot of this letter.

The economic damage to Mull and Iona will be repeated across the Hebrides. In order to avoid significant long-term damage to island economies and communities, a package of financial support is now urgently needed. There are some businesses who have been very acutely impacted and may not survive this summer; but many more are expressing fear and uncertainty about the future, because of the reputational damage done to our critical tourism and hospitality industry.

When this issue has been raised recently by other communities, the Scottish Government appears to have suggested that if financial support was appropriate, it should come from CalMac's performance penalties. This entirely misses the point that the vast majority of our difficulties are the result of government action and inaction, not operational mistakes by CalMac. It is government policy that has let us down, by failing to renew the CalMac fleet quickly enough. When replacements have come, they have often been wholly inappropriate. Take for example the hugely over-complex and super-sized 801 and 802 – lavish behemoths, the product of hubris and shipping illiteracy. Or the second-hand Loch Frisa, a vessel wholly inappropriate for the Craignure – Oban route with neither the speed nor the capacity to do the job.

Over decades, increasing demand has been met by making our ferries bigger, rather than adding to their numbers. So we have a small fleet of overly-large, elderly cruise-ferries. Each one more expensive than the last, each one requiring tens of millions to be spent on pier lengthening and dredging. The result is an inflexible, unreliable fleet where the 'strategy' is to remove ferries from one route in order to fix problems on another. CalMac have no option but to play with the cards they are given, and they have been dealt a particularly bad hand.

So it is to the Scottish Government that we look for support, not Calmac, which is merely the operator of vessels given to it. We hope that you will recognize both the urgency and the depth of the problem. Many businesses will need urgent financial assistance to compensate for the immediate damage. Those businesses need immediate help now.

On top of that, the longer-term reputational damage to our tourism sector will need to be repaired. So we seek a package of support for [Visit Mull and Iona](#) our Destination Marketing Organisation to encourage visitors to return to the Hebrides.

We have also sent this message to Mairi Gougeon, Cabinet Secretary for Rural Affairs and the Islands, since there is obvious overlap. The government's objectives as encapsulated in the Islands Plan are excellent and ambitious – but they risk being undone by our failing lifeline ferry services.

We would very much appreciate the opportunity to discuss these urgent issues with you personally, and extend an invitation to visit us on Mull just as soon as you are able.

Yours sincerely,

Joe Reade, for:

Iona Community Council, Mull Community Council, Mull & Iona Ferry Committee, North West Mull Community Woodland, Mull and Iona Community Trust, Visit Mull and Iona, South West Mull and Iona Development.

Testimony excerpts from our survey:

Half empty restaurant when we have been fully booked every open day in the last 12 years

my earnings are 40% below what they should be

Looking to the future we are less likely to risk further investment into the business.

Refurb overran, extra delivery costs, delayed opening .. impossible to plan for an opening date when you don't know when materials will arrive, employed staff & paying wages & unable to trade ...

Irreparable damage to trust in Mull as a destination. (Told to me first hand by visitors they will never come back to our islands, after shocking treatment by CalMac, and genuine fear they can not leave again when they need to)

. As a direct consequence of Calmac I have lost 30% of my trade, which mainland-based competitors have now acquired.

Some suppliers now will not deliver to Mull as they can't guarantee delivery. Guests in holiday cottages have had sailings cancelled, which means in turn, they are cancelling their trips.

The ferry disruption and ensuing uncertainty has increased the existing financial pressure on my business caused by the pandemic, and caused me to question the viability of my business and consider the possibility of insolvency.

People simply not booking accommodation due to ferry availability and reliability.

[getting] accommodation cancellations as people are concerned they either won't get here or more importantly for them won't be able to get off the island again.

The feed back we are getting is that people won't come back to mull.

Some guests were unable to travel, as their booked sailings were cancelled 24 hours before they were due to arrive. But the main concern is the negative impact on the way visitors have felt about the viability of booking again, due to the experience they had of trying to book with Calmac in recent weeks (cancelled sailings/poor customer service/difficulty of booking online/negative press). There has been a loss of confidence in their ability to deliver a regular, consistent service which will definitely put some people off from coming to the island for the foreseeable future.

Even regular guests who have been coming for 16 years are not confident in booking next year.

Lack of day trippers has significantly reduced footfall and sales by 50%. Many visitors are saying they will never return due to the stress of getting here and no idea when or if they will get off the island.

*Forward booking confidence for island tourism has taken a dive: unquantifiable loss in future visitors
Lunch business has been disastrous for us as we have lost most of our passing trade due to lack of footfall.*

Bookings are being cancelled and bookings for next year have collapsed

Currently have 132 bookings for the full season, against a total number of bookings last year of 200. This equates to about £20,000 in reduced income - £7500 of that directly attributable to March, April and May so un-recoverable.

We have struggled to secure the bookings required to get our live shellfish (mussels) to the markets in time, this has had a big impact on our customers.

Running a manufacturing business on Mull is difficult enough, but the uncertainty, extra costs and pure hassle resulting from the mismanagement of our ferry service is enough to wonder why and how we continue to do it.

Stress due to the disbelief that CMAL, CalMac and the Scottish Government can be so dismissive of peoples livelihoods and well-being.

Staff are not sure if they're going to be able to keep their jobs due to loss in takings, ... I see one of my team in anxious because her dad is struggling to get off for cancer treatment as they keep either cancelling their sailing or the boats just are not running, and I am currently in the middle of IVF and panic that on something time sensitive that even if I have a booking for the ferry to get to an appointment I do not know if it's going

to be cancelled and then this has a huge impact on treatment and my mental health in a time I'm trying not to be so stressed.

It has dramatically effected life on Mull this year and I am not surprised to hear of people reconsidering leaving Mull for this reason.

Stress and anxiety through the roof as I never know when guests are arriving or if guests who are here can get off the island, also trades people now have said they cannot afford to trade on Mull as men are sitting in standby lanes for hours. In the ten years I have been on the island I have never known it as bad as this.

It's not so much the financial aspect, as the fact that I can't physically buy the raw materials I need on the island in the quantities I need. I'm nervous to book the boat in case it's cancelled, or worse, I get over and can't get home. With a business and children I simply can't risk getting stranded, so am often at a loss regarding what to do. It makes me wonder if working and living on the island is sustainable at all.

As a husband & wife team who run a small restaurant, we are already strained with rising costs and overheads. Combine this with the loss of revenue and it is very anxious times for us both personally & professionally. Stress wondering whether bookings for next year will be much lower because the ferry issues are now being broadcast on UK wide TV.

Our concern is whether we have enough money to make it through the winter months. Any plans and reinvestment for the business are now deferred until the ferry fiasco is resolved.

If next year income is as bad as we forecast we will certainly look at closing.

It has ... impacted our recruitment process with some candidates unable to get over for interview due to the disruptions resulting in them having to pull out of the interview process which has then put more pressure on the existing team members having to work longer hours which in turn affects their mental and physical health.

The stress of finances is HUGE and putting a massive strain on the family. I am recovering from chemotherapy treatment as well, so it is having a negative impact on my health.

It has been a stressful time at work managing the disappointment of guests/owners who had cancelled bookings and also for friends with businesses on the island, noticing the drop in visitor numbers and the impact on their income as a result. We personally know people running boat tours, wildlife tours, cafes and restaurants who have all suffered a loss of income as a direct result. It's incredibly frustrating as an islander too, to not be able to leave Mull when we need to for shopping, appointments (particularly health related) and leisure etc.

After surviving the pandemic, this last thing needed. I have an international client base and it is sending an extremely negative message and not encouraging international visitors back to the islands. It is certainly the opposite of the message Visit Scotland has been actively trying to encourage our international visitors back as we all try to recover confidence after the pandemic.

After years of building a business and hard-won good reputation, the stress and distress of seeing so much of it being taken away by the failings of Calmac is shattering. Every day I would have to reschedule multiple appointments, let customers down and feel like I had failed. I have regularly been having anxiety and panic attacks, all caused by the consequences of ferry disruption and negative impact on my business.

The reality is we will need to re think the longer term viability of our business if Calmac can't sort this out.