



**TRANSPORT
SCOTLAND**
CÒMHDHAIL ALBA

SCOTTISH FERRY SERVICES

FERRIES PLAN (2013-2022)



SCOTTISH FERRY SERVICES

FERRIES PLAN (2013-2022)

19 December 2012

Contents	Page
Introduction from Keith Brown MSP, Minister for Transport & Veterans	1
Chapter 1: Introduction	2-7
What is this document for?.....	2
The purpose of the Scottish Ferries Review.....	3
How the Review has been carried out.....	3-4
National Objectives in Providing Support to Ferry Services.....	4
The Current and Future Position.....	4
Future Procurement issues.....	4
State of Finances.....	5
Summary of Proposals.....	5-7
Chapter 2: How should ferries be funded and procured	8-14
Introduction.....	8
Future investment requirements.....	8-9
Options for future funding of ferry services.....	10-12
How flexible should we be about what we tender for.....	12-13
Length of Contract Period	13
The need for a tendering system in the future.....	13
How will we prioritise funding.....	13
Summary of way forward.....	14
Chapter 3: What kind of ferry services should be funded? ...	15-44
Introduction.....	15
Routes and Services Needs Based Assessment.....	15
Working Principles.....	15-16
How we will prioritise funding.....	16
Vessel Deployment	17
Results by community	
Firth of Clyde	
Arran.....	17-19
Kintyre.....	20-21
Bute.....	21-23
Cowal Peninsula and Dunoon.....	23-24
Cumbræ.....	24
Inner Hebrides	
Mull.....	25-26
Ardnamurchan/Morvern.....	26-28
Iona.....	28
Lismore.....	28-30
Coll and Tiree.....	30-31
Kerrera, Luing and Easdale Island.....	31

Northern Isles	
All routes	31-32
Orkney and Shetland Isles.....	32-33
Skye, Raasay, the Small Isles and Knoydart	
Skye.....	33
Raasay.....	33-34
Small Isles.....	35-36
Knoydart.....	36-37
Southern Hebrides	
Islay and Jura.....	37-38
Colonsay.....	38-39
Gigha.....	39-40
Western Isles	
Barra.....	40-41
Uists and Benbecula.....	41-43
Lewis and Harris.....	43-44
Conclusion	44
Chapter 4: Fares.....	45-51
Introduction.....	45
Our Key Principles.....	45-46
Road Equivalent Tariff.....	46-48
Eligibility Criteria for RET fares.....	48-49
Large Commercial vehicles	49-50
Small Commercial vehicles	50
Other issues	50-51
Summary of Way forward.....	51
Chapter 5: Who should be responsible for providing ferry services? 52-57	52-57
Introduction.....	52
Scottish Government Involvement	52-53
Local Authority Ferry Services.....	53-55
Procurement skills.....	55
Ferry Regulator.....	55-57
Summary of way forward.....	57
Chapter 6: Accessibility.....	58-61
Introduction.....	58
Implementing Accessibility Recommendations.....	58-59
Accessibility Improvement Fund.....	59-60
Accessibility Information System.....	60-61
Summary of way forward.....	61
Chapter 7: Environmental issues.....	62-64

Glossary of Terms

Appendix 1: Investment Plan

Appendix 2: Overview of Proposals

Appendix 3: - Maps showing all routes

Appendix 4: - Tables showing all routes, including RET status

Appendix 5: Principles for Transfer of Responsibility

Appendix 6: Procurement Statement

Appendix 7: Summary of Additional Sailings

Introduction from Keith Brown MSP, Minister for Transport & Veterans



We are very clear about the significant contribution that our ferry services can make to the social, cultural and economic wellbeing of our nation. A great deal of importance has therefore quite rightly been placed on carrying out the Scottish Ferries Review. It is with this in mind that we publish this Ferries Plan which sets out the way forward for the next 10 years.

We said previously that the focus of the Ferries Review has been on the things that matter most to our communities: how much they pay for their services; the level and type of services provided; who is responsible for providing these services, and how we ensure that no community feels vulnerable about the future of their ferry service; whether ferry services are accessible to all and whether services are provided in the most environmentally friendly way. We also said that given the continued financial pressures faced, that it was important to ensure that we have sufficient resource in place to fund our ferry services and that the money available is targeted most effectively.

In this Ferries Plan we provide communities with an update of the progress we have made in taking forward these issues. We include specific details of the conclusions we have reached in terms of how we will improve and strengthen the ferry services provided to communities.

Although we make clear in this Ferries Plan that we are working within very tight budget pressures, we are very pleased to be able to set out what we believe is a very positive package of measures. Whilst it will not be possible to deliver all of our proposals immediately, there is a significant amount that we can do very quickly.

It is important over these next 10 years to recognise that the outcome of this Ferries Review is only the beginning of a process. We need to continue to review our approach to providing ferry services, and continue to reassess the needs of our communities. Our intention is to do this every 5-6 years or before the tendering of each set of ferry services. We want to ensure that communities continue to receive ferry services that meet their changing needs. We also want to ensure that fares levels remain consistent and that communities and island economies can grow in the knowledge that there is continued certainty over their vital ferry services.

We are fully committed to delivering first class sustainable ferry services to our communities, stimulating social and economic growth across Scotland. We believe that the planned improvements set out in our Ferries Plan will enable our rural and remote communities to thrive, and continue to make a significant contribution to Scotland's economy.

Chapter 1: Introduction

1. Ferries are an essential part of Scotland's transport network. The quality of our ferry services impacts on all of us, affecting both island and mainland communities. It is in recognition of this that we have carried out this first ever comprehensive review of ferry services in Scotland.

2. The review culminates in producing this Ferries Plan, which sets out strategic guidance for the provision of ferry services in Scotland over the next 10 years. We are proud that we have taken responsibility and led the way in carrying out the Ferries Review. There is much that can be achieved in the very short term but there are some proposals that will take a bit longer to deliver. There can be no doubt however that the proposals presented in this Ferries Plan have the potential to greatly improve ferry services for many of our fragile communities.

3. We said in the Draft Ferries Plan that our aim is to maximise the economic and social potential of our remote rural and island communities. In addition to building on the current success of sectors such as oil and gas, fishing, aquaculture, tourism and whisky production, we are excited at the expanding possibilities for renewable energy. To achieve this we understand that the quality, reliability and affordability of transport links, along with other measures, are vital for successful social and economic growth.

What is this document for?

4. We explained in the Draft Ferries Plan that for most areas we were clear about the way forward. For these areas we set out our views. We explained that we still needed to gather views and opinions on the type and level of service each community should receive. We presented a number of options for delivering ferry services to each community, and asked some specific questions about each of our proposals.

5. In this document we provide communities with a clear view of our intended way forward. This includes an update of the progress we have made in taking forward issues around funding, fares, accessibility, responsibility and the environment. We also set out the conclusions we have reached in relation to the level and type of ferry service each community should receive.

6. Our intention is that this Ferries Plan will deliver first class sustainable ferry services to communities, stimulating social and economic growth across Scotland.

7. As noted above, there is much that can be achieved in the short-term but there are some proposals that will take longer to deliver. We have had to prioritise our spending and this is covered in more detail below.

The purpose of the Scottish Ferries Review

8. The purpose of the Review has been to:
- develop a shared vision and outcomes for lifeline ferry services in Scotland, in the context of the Government's Purpose, Economic Strategy and National Transport Strategy;
 - analyse the current lifeline ferry services and network, identifying how well it meets the proposed outcomes and how it links to the rest of Scotland's transport network;
 - inform the Scottish Government's long-term plan for lifeline ferry services in Scotland and influence the next round of procurement of ferry services;
 - identify policies to be taken forward to deliver the long term plan, including the planned investment framework.

The Ferries Plan makes recommendations regarding:

- where investment should be focussed to make improved connections for island and remote rural communities;
 - improving reliability and journey times;
 - seeking to maximise the opportunities for employment, business, leisure and tourism;
 - promoting social inclusion.
9. We have considered these issues within a framework designed to maintain the exemplary safety record of Scotland's ferry services.

How the Review has been carried out

10. We made clear in our Draft Ferries Plan that we have tried to be as inclusive, open and transparent as possible. This approach has continued in the last year, following the publication of the Draft Ferries Plan for consultation. We have continued to listen and engage with communities to inform our thinking around what the final Ferries Plan should include. The Review has been led by the Scottish Government but we have been helped in forming opinions by a Steering Group, a Council Group and an Operators Group. This involved input from organisations and individuals with a range of views, perspectives and expertise.

11. A considerable amount of data collection and analysis, including a household survey, was carried out in relation to all aspects of ferry service delivery and usage. We appointed consultants to provide us with detailed information, and have drawn on the expertise of Caledonian Maritime Assets Ltd (CMAL) to advise us regarding vessels, ports and harbours. Highlands and Islands Enterprise advised us regarding the economies of the communities reliant on ferries. All of the consultant's reports and a report on the household survey are available on the [Ferries Review website](#).

12. The Draft Ferries Plan was published in December 2011. The consultation process ran from 21 December 2011 to 30 March 2012 and attracted 2,051 responses. This included 1,415 separate consultation responses (1,213 from individuals and 202 from organisations) and 636 submissions of a campaign proforma calling for a Lochboisdale-Mallaig ferry service.

13. A high-level Strategic Environmental Assessment (SEA) was undertaken on the proposals set out in the Draft Ferries Plan. Consultation on the SEA ran until 30 March 2012.

14. An analysis of consultation responses will be published on the same day as this Ferries Plan, along with an Equalities Impact Assessment (EQIA). A Post Adoption Statement will also be made available following publication of this Ferries Plan.

National Objectives in Providing Support to Ferry Services

15. All proposals set out in this document contribute to the Scottish Government's overall purpose to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

16. The Ferries Review was a commitment of the National Transport Strategy (NTS) which set out 5 strategic objectives: Wealthier and Fairer; Smarter; Healthier; Safer and Stronger and Greener. Following publication of the NTS, Transport Scotland identified a number of delivery priorities closely aligned to these objectives. The Ferries Review takes account of each of these priorities.

The Current and Future Position

17. Appendix 2 provides an overview of proposed changes to ferry routes in Scotland; Appendix 3 shows maps of ferry routes in Scotland, including a new route between Campbeltown and Ayrshire; Appendix 4 provides tables detailing each of the ferry services in Scotland along with details of our plans for RET and future responsibility.

Future Procurement Issues

18. The Scottish Government is engaged in a reform programme for public sector procurement which is intended to enhance economic impact and value for money as well as to diversify sources of procurement such as social enterprise. Within this context we have published a separate policy statement on our future approach to ferries procurement. A copy is provided at Appendix 6.

State of Finances

19. Since the Ferries Review was initiated, it has been clear that the financial context in which we are operating has changed. We explained in the Draft Ferries Plan that we are now operating in an environment where public expenditure is under sustained pressure and where real terms reductions in the Scottish Government's budget are expected for some years. We said that there was a need to identify where we can get most value for our investment. The proposals presented in the Draft Ferries Plan therefore necessarily reflected an awareness of this increasingly challenging financial reality.

20. This position has not changed. We are faced with significant and growing increases in both resource and capital costs to maintain existing ferry services. Scottish Government spending on ferry services has increased significantly since financial year 2007/08 to 2012. Spend in 2007/08 was £85m, which increased to £110.6m in 2012/13, an increase of 30.1%. In 2013/14 our projected spend is in the region of £116.3 m of public money for our ferry services and this is expected to increase year on year. This includes the significant necessary ongoing investment for vessels, ports and harbours replacement required over the period of the Final Ferries Plan.

21. Given the tight budget pressures, it is clear that we are not able to deliver all of our proposed improvements to ferry services in the short term. Although we remain committed to delivering these improvements, we need to prioritise our available funding. In considering how we should prioritise funding, we have taken account of what changes represent the best value for money in terms of the benefits to the communities being served. We have of course also had to consider what is affordable, and when, within the severe budget pressures in which we are working. In doing this we have tried to focus on maximising the utilisation of the current fleet and looking at achieving the maximum level of services possible within existing resources. This however will still require an additional level of funding. We have then looked at what would be achievable if we secure an additional vessel for the network, and if we make changes to harbour infrastructure.

Summary of Proposals

22. Despite the difficult financial pressures over recent years, it should be noted that we have continued to provide all of our essential ferry services and have been able to invest in new vessels. We have also maintained all of our existing vessels, and maintained and developed existing ports and harbour infrastructure. We have also committed in recent years to introducing the Road Equivalent Tariff (RET) scheme, which will lead to cheaper fares across the network. It is in this context that we are now committing to making the following further improvements to ferry services in Scotland.

Immediate (Short-Term)

23. There is a significant amount that we can do very quickly. From 2013 the following significant improvements will be made:

- We will provide two vessels for Arran all summer (May-September) resulting in an increased number of sailings;
- We will introduce a new two year summer only (May-September) pilot ferry service between Campbeltown and Ayrshire, via Arran – 3 days per week;
- We will improve the winter service between Oban and Coll and Tiree;
- We will improve the winter service between Oban and Barra/South Uist;
- We will provide a significantly improved service to the Small Isles;
- We will offer on a pilot basis an additional later evening sailing to Cumbrae;
- We will extend the operating day on the Colintraive-Rhubodach service until 9 pm all year round; and
- As a temporary step we will for the summer months introduce a service on a Saturday from Colonsay, via Islay, to Kennacraig.

24. These changes will drastically improve the provision of ferry services to a number of our island and remote communities. Further detail is provided in Chapter 3 of this document and in Appendix 2.

Interim CHFS contract

25. By purchasing a second small passenger only vessel during the course of the CHFS contract period we will be able to:

- Provide an increased level of service to the Small Isles, supplementing regular ro-ro services with passenger only services. We will ensure that the ro-ro service continues to provide the Small Isles with a fully adequate freight service;
- Subject to a transfer of responsibility to Scottish Government, we will offer zero fares between Jura and Islay when that journey is part of an onward journey to the mainland;
- Provide a dedicated vessel to Colonsay – increasing the number of sailing days in both the summer and winter; and
- Provide a dedicated vessel for Mull during the winter period – offering an increased frequency of sailings.

Next tendered CHFS Contract

26. During the course of the next tendered CHFS contract period our plan is to secure an additional vehicle and passenger vessel for the network. This will allow us to:

- Provide a second vessel for Mull allowing for increased frequency all year;
- Continue to provide an improved winter service between Oban and Coll and Tiree;
- Continue to provide an improved winter service between Oban and Barra/South Uist;
- Provide an additional vessel on the Ardrossan-Brodick route during the winter which can also provide the Campbeltown-Ayrshire service during the winter (subject to the outcome of the pilot).

27. All of our proposals are subject to future Spending Review commitments.

Chapter 2: How should ferries be funded and procured?

Introduction

1. We stated in the Draft Ferries Plan that we would provide details of the final investment required and details of how we will ensure our funding priorities can be met over the period of the Ferries Plan, to 2022.
2. We also stated that, in order to understand clearly the level of investment required over the period of the Plan, we needed to have a clear idea of what services will be provided. This central part of the Ferries Review has now been completed and the results are set out in Chapter 3 of this document. There is however still some work to be done in relation to the possible transfer of responsibility for Local Authority run ferry services.
3. Implementation of the Ferries Plan has to take place in the context of severe pressure on public finances, and particularly harsh cuts to capital budgets imposed by the UK Government, as set out in the previous chapter. The development of the proposals in this Ferries Plan have been predicated on the assumption that the current baseline services will be safeguarded and maintained. In 2013/14 we anticipate spending in the region of £116.3m on our baseline ferry services. This figure is expected to rise year on year with an anticipated spend of £180 m in 2018/19.
4. Despite these financial pressures, we are committed to significantly increased investment over the lifetime of the Plan in order to enhance our ferry services further.

Future investment requirements

5. Despite several years of funding pressures, we have continued to invest in vessels and shoreside infrastructure as well as providing record levels of subsidy for the continuation of the current network of ferry services and the piloting of the Road Equivalent Tariff scheme.

Examples of recent investment projects include:

- Largs pier (£4.2m)
- Rothesay redevelopment (£6.7m)
- Port Ellen pier (£5.0m)
- MV Finlaggan (£24.5m)
- 2 new hybrid ferries (£20m+)
- Kennacraig redevelopment (£9m)

6. Funding has also been provided for a new £42m ferry for the Stornoway-Ullapool route and investments are planned for the 2 harbours supporting this service. A number of major port projects are included in the investment plan including works at Oban, Brodick, Lochboisdale, Lochaline, Armadale and Tarbert (Harris).

7. Maintaining the current pattern of routes and services is likely to require increasing levels of subsidy, at least in line with inflation. The major costs to ferry operators are staff, fuel, vessel charters and harbour dues. The price of fuel in particular is volatile but has risen significantly in recent years and shows no sign of returning to anything like the levels previously enjoyed. Added to that, international and European regulations on the sulphur content of fuel will start to have a further impact on fuel costs from 2015 onwards for services to the Northern Isles; and from 2020 (subject to a review in 2018) for Clyde and Hebrides services.

8. The replacement of vessels will also require additional investment during the period of the Ferries Plan. The vessel replacement programme is provided at Appendix 1. We have identified a need for the following vessels to be replaced between 2015 and 2022:

- 4 'Loch class' vessels – probably to be replaced with further small hybrid ferries
- 2 medium sized vessels: (MV Isle of Arran and MV Hebridean Isles)
- 2 large vessels: (MV Isle of Mull and MV Lord of the Isles)

9. Our policy will be to replace vessels once they reach the end of their working lives. This is around 30 years and the replacement date of each vessel will be kept under review on a case-by-case basis by CMAL and the operator. We are open-minded about the way in which vessels might be procured and made available in the future. We will be mindful of the need to consider the number of jobs created as a direct result of the way in which we secure vessels for our services.

10. When considering and approving new investments, we will take account of the whole life costs associated with a new vessel – operating costs as well as construction costs and disposal costs. The aim is for the upfront construction costs of a new vessel to be balanced by savings in operating costs, in particular through improvements in efficiency and fuel consumption that will also contribute to reduced carbon emissions. Increases in revenues associated with a "new vessel effect" can also help off-set the initial cost.

11. Decisions will also need to be taken during the period of the Ferries Plan about vessel deployment for the services to the Northern Isles once the current agreement with Royal Bank of Scotland (RBS) expires in 2018. The vessels will only be 18 years old by then so it is feasible for them to continue on the routes for another contract period. Initial discussions with RBS are already underway.

12. Projects will be taken forward when resources are available and funding will be prioritised according to need. Details of the approach taken in our prioritisation of funding are set out in Chapter 1 (State of Finances section) of this document.

13. The costs of the delivery of the packages of routes and services enhancements detailed in this Plan are set out in Appendix 1.

Options for future funding of ferry services

14. We noted in the Draft Ferries Plan that reports commissioned as part of the Ferries Review had confirmed that the cost and affordability of Scotland's ferry services are key issues and that the main challenge for the Scottish Government is to identify funding opportunities. This remains a key challenge as the level of investment identified is higher than current funding levels for ferries.

15. The Draft Plan reiterated a number of options initially set out in our 2010 consultation paper:

- CMAL to access funds
- Make ports and harbours self-funding
- Users to provide more of the funding at point of use
- Open the market up to greater competition.

CMAL to access funds

16. In the past year, CMAL have put together funding, via an operating lease, for the new Stornoway-Ullapool vessel. This has a number of advantages. The £42m investment capital will be provided by the vessel's owners, Lloyds Banking Group, at a time when this level of investment was not affordable to CMAL or to the Scottish Government. Lease payments will be made annually, once the vessel is delivered in 2014, avoiding the challenge of finding a large sum of money during the construction period.

17. However, the cost to the Scottish Government over the long-term of this approach is higher than the conventional method of providing loans to CMAL. Our preference for the planned replacement programme is therefore to fund these replacements through capital loans from the Scottish Government to CMAL. CMAL will continue to develop alternative approaches so that, on a case by case basis, the timing and funding options for each project can be assessed and determined.

18. CMAL have also been successful in attracting some funding from sources other than the Scottish Government:

- EU funding (INTERREG IVA) for the Small Ferries Project, in conjunction with Ireland and Northern Ireland: total value £220k
- European Regional Development Fund grant for the hybrid ferries: total value £450k
- Scottish Enterprise Hydrogen Ferry Study Total Value £32k

19. CMAL are currently working with Scottish Enterprise to procure an innovative charging infrastructure for the hybrid ferries which could be designed and built in Scotland. This equates to £150k of potential support.

20. CMAL will continue to pursue opportunities such as these in order to supplement the provision of funds from the Scottish Government.

Make ports and harbours self-funding

21. In the Draft Ferries Plan we considered whether ports should be self-funding and cover the costs of improvements entirely through harbour dues rather than through grants from the Scottish Government.

22. Self-funding would require each harbour authority (whether CMAL, independent harbour trusts, local authorities or private ports) to plan their forward investment and ensure that harbour dues (for all users, not just ferry operators) were set at a level that enabled funds for planned capital works to be built up and/or for loans for such works to be paid off. The Scottish Government would phase out grants for pier and harbour projects. The cost to ferry operators of harbour dues would rise which would lead to increased subsidy payments by the Scottish Government. Harbour improvements would therefore be paid for via a more conventional series of transparent commercial transactions.

23. One drawback of self-funding is that many smaller harbour trusts have limited sources of income other than the ferry operator, limited assets and may therefore have difficulty securing the large loans that some one-off major investment projects require. The removal of grant funding would also reduce the level of influence on the size and cost of projects exercisable by the Scottish Government.

24. In the Draft Ferries Plan we said that we would revisit the future level of port and harbour dues charged by CMAL – primarily to the lifeline ferry service operator – with the intention that the level of income generated wholly covers the cost of the ongoing maintenance and repair of their piers and harbours. We intend to have a revised set of port and harbour charges agreed between CMAL and CalMac Ferries Ltd in place as part of the interim Clyde and Hebrides Ferry Services contract commencing October 2013.

25. In terms of capital grants for major pier and harbour works undertaken by CMAL and the independent harbour trusts, we will continue to work with CMAL and the trusts on projects currently identified as priorities during the current spending review period (to March 2015). Beyond that date we will consider with the relevant harbour authorities what the best method or combination of methods is for delivering the shoreside infrastructure projects set out in our investment plan.

26. The Draft Ferries Plan also stated that we would explore what would be involved if we, through CMAL, were to take responsibility for ports currently owned by local authorities. This is being taken forward in the context of discussions we are having with local authorities on the future responsibility for their ferry services, as set out in Chapter 5.

27. If any Local Authority services do transfer to Scottish Government responsibility then part of that agreement will cover the future of associated shoreside infrastructure. Local Authorities wishing to transfer responsibility must also be prepared where necessary to transfer ownership of the ports and harbour infrastructure used. Agreement would also have to be reached about the levels of capital funding that would form part of any transfer of infrastructure taking account of its current condition and future investment requirement.

Users to provide more of the funding at point of use

28. We noted in the Draft Ferries Plan that consultees wanted fares to be affordable and reasonable and showed little appetite for fares increases that would contribute to the rising costs of subsidy and investment.

29. Ministers have now announced their policy position on passenger and vehicle fares, based on the Road Equivalent Tariff (RET) principle. This is set out in more detail in Chapter 4, as is the position on commercial vehicle fares.

Open the market up to greater competition

30. The benefits of regulated competition, in the right circumstances, were seen in the outcome of the recent tendering of the Northern Isles Ferry Services contract. Four bids were submitted – more than for any previous Government ferry contract in Scotland – and the successful bidder, Serco Ltd, has entered into a contract offering a continued and enhanced quality of service at a very competitive cost to the Scottish Government; an important consideration when set against the levels of investment required.

31. We are aiming for a similarly competitive exercise – and similar financial benefits - for the Clyde and Hebrides Ferry Services contract that will commence in 2016. We did consider the possible benefits of tendering individual routes as there was an argument that smaller contracts would be more attractive to a wider range of operators. However, our contacts with the market and the experience of the Northern Isles competition indicate that there is a preference for a large ‘single bundle’ contract among both Scottish and international ferry companies.

32. In the Draft Ferries Plan we said that we would publish a separate policy statement on our future approach to ferries procurement. A copy of this Statement is available at Appendix 6.

How flexible should we be about what we tender for?

33. Dialogue with the market, in advance of the Northern Isles tender, made clear that operators seeking to bid for the contract wanted to see a much less prescriptive tender specification than had been the case in earlier procurements. On the other hand, other stakeholders were equally keen to know in advance of the tender process commencing what the details of the service would be in terms of the service specification - timetables, frequency of sailings, fares etc.

34. Our approach was to strike a balance between these two positions. We therefore invited bidders to submit tenders for the services within the confines of certain service parameters. For example, a minimum number of sailings on each route was specified, leaving bidders scope to propose a service at or above the minimum level. This was considered to be a reasonable compromise, allowing for some innovation in the way in which the Northern Isles ferry services could be delivered while maintaining a basic level of fixed standards which offered comfort to the communities who might have had anxieties about too much change being introduced at one time.

35. Our intention will be to adopt a similar approach, to that taken during the Northern Isles tendering, when tendering for the next Clyde and Hebrides ferry services contract.

Length of Contract period

36. We made clear in the Draft Ferries Plan that we must adhere to the current rules which involve tendering ferry services every 6 years. We also stated that we believe longer contracts could be beneficial.

37. In the past year, we have raised this matter with the European Commissioners for Transport and Competition. We believe our arguments, which are shared by other nations with subsidised ferry services, are being heard and understood. We will continue to make the case for reform with the European Commission.

The need for a tendering system in the future

38. EU rules require tendering of all subsidised ferry services. We have however raised with the Commission whether this requirement is appropriate in all cases. The Commission recognises the need for services to be subsidised and is keen to ensure that access to this subsidy – which in effect enables operators to provide viable services – remains open to any EU ferry operator on a regular basis. Whilst we believe that tendering has benefits – such as for the Northern Isles and CHFS contracts as described above – we would prefer the decision on whether or not to tender to be taken by the accountable public authority, that is the Scottish Government and, for their services, the Local Authorities.

How will we prioritise funding?

39. We have taken account of responses to the Draft Ferries Plan and have now provided more precise details about how we will prioritise each of the proposals to be taken forward. Information on how we will prioritise funding is set out in Chapter 1 of this document.

Summary of the Way Forward

40. Our Plans are summarised below:

- We will deliver the investments set out in the investment plan in Appendix 1, in line with funding availability and the priorities set out in this Plan;
- Subject to future Spending Review commitments we will provide the level of subsidy required in our investment plan to deliver the routes and services set out in Chapter 3;
- We will consider vessel deployment options for the services to the Northern Isles in advance of the current agreement in 2018;
- We will continue to work with CMAL on alternative sources of funding for vessel replacement and on accessing EU and other grant funding opportunities;
- We will replace vessels according to their life expiry and will base investment decisions on an analysis of whole-life costs and benefits with the objective of covering, as far as possible, capital costs by savings in operating costs and increases in revenue;
- We will agree with CMAL and the current operator a revised set of port and harbour charges for the interim Clyde and Hebrides Ferry Services contract that will enable CMAL to cover the cost of an agreed programme of maintenance and repair;
- We will put in place arrangements for the funding of major pier and harbour improvements at ports owned by CMAL and independent harbour trusts.;
- We will conclude discussions with local authorities about the transfer of ownership of ports from them to CMAL;
- We will encourage a strong competition for the next tendered CHFS contract seeking to achieve the required level of service at a competitive cost; and
- We will continue to make the case to the European Commission for longer ferry service contracts.

Chapter 3: What kind of ferry services should be funded?

Introduction

Routes and Services Needs Based Assessment

1. One of the key elements for the Ferries Review has been the development of a robust overarching framework or methodology for the determination of routes and services for those communities served by a ferry service. We developed this approach because we felt that it was absolutely essential that any changes to routes and services are based on objective evidence. Second, it is important that each community is treated on an equal footing by the Review. By choosing to develop and adopt an evidence-based methodology, we have insured against the prospect of favouring one community over another. Finally, we want a methodology that can be replicated to inform future changes to routes and services.
2. There are three steps that describe what the routes and service methodology does: 1) for each community we have defined what they need their ferry service for and the priorities of those needs; 2) we have defined a model ferry service to meet those needs; and 3) we have compared and contrasted the model service with their current service.
3. The routes and services methodology has been applied to all the main island communities for which we had sufficiently robust data. There are some communities for which comparable data either do not exist altogether or are not sufficiently robust to allow us to apply the methodology in full. With these communities we have relied on other sources of information, including discussions with communities, to determine their particular dependencies.

Working Principles

4. The Draft Ferries Plan explained that while developing the routes and services methodology, a number of working principles emerged that underpin our proposals. These principles remain and are listed below.
5. We concentrate on the correct service profile to meet the needs of the community. We do not rely on the correct vessel(s) currently being in place to deliver the model service profile. To attain the model service profile, it may first be necessary to replace a vessel(s) on a route.
6. We will ensure that there is always sufficient capacity on the route to meet demand. This may be done through demand management, especially in the shorter term.
7. We will ensure wherever possible that each island or remote peninsula community has at least one direct ferry route to the Scottish mainland.

Communities with more than one route

8. For communities with more than one route, we have further considered the approach outlined in the Draft Ferries Plan and have concluded that currently all second routes on the network offer some element of the following:

- The opportunity of a substantial journey time saving and are therefore a main route for certain trips within that particular community; and/or,
- They fulfil a different but important purpose to the main route. For example, the second route may be used largely for a tourism purpose as part of an island-hopping network and is therefore important to the continuation of the local economy.

9. We have concluded therefore that all second routes on the network are currently required.

Overlapping/Competing Routes

10. We will work towards combining routes that overlap and compete with one another so that we emerge with a stronger single route option.

Ferry versus Road Network – remote peninsula communities

11. There are a few communities where the ferry service is a secondary service to the road network. Here we have looked at ways in which a ferry service could provide people with a real choice, particularly if the road network still means a long journey.

New Routes

12. We will strengthen and augment existing routes rather than start up new routes. We need to recognise that we have in place a mature network of long-established routes. To introduce a new route we need to be sure that the additional benefits to a community outweigh the substantial set-up costs of a new route.

How we will prioritise funding?

13. As noted in Chapter 2, the Scottish Government is facing significant pressures on its ferries budget following the UK Government's Spending Review. We have considered how we should prioritise funding, taking this opportunity to look again with the current operator at what can be achieved across the network. This has involved careful consideration of the most advantageous way of deploying current vessels across the network. Appendix 2 summarises our proposals for rolling out the changes set out below.

Vessel Deployment

14. The deployment of individual vessels across the Clyde and Hebrides network is an operational decision for the operator and not for Scottish Ministers. Therefore, whilst we have indicated in this chapter which vessels might be deployed on particular routes, it is for the operator to reach final decisions about the most appropriate vessel for a route.

15. The proposals set out in this Ferries Plan mean that all available vessels are fully deployed. In the event of a failure on routes with only one vessel, the operator will re-deploy a vessel from a two vessels route, which may result in a temporary reduction in service on a particular route.

Results by community

16. The following section sets out our plans for each community (and sets of communities). These conclusions have been reached following the consultation on our Draft Ferries Plan. Our plans have been considered by the current operator of the CHFS contract and Caledonian Maritime Assets Limited. However, they will be subject to final operational checks prior to implementation.

17. Appendix 2 provides an overview of our key proposals for each community.

FIRTH OF CLYDE

ARRAN

Current Service Provision

18. Arran has two ferry routes; the principal route connects the main settlement of Brodick to the Scottish mainland at Ardrossan. A second route connects Lochranza on the North part of the island to Claonaig on the Kintyre peninsula. This section considers the principal route, which is very popular with 730,000 passenger, 134,000 non-commercial vehicle and 13,000 commercial vehicle (longer than 5 metres), trips in 2010¹.

19. The current service is provided by a single-vessel service with a sailing duration of nearly one hour. A typical service day during the summer season runs from early morning through to early evening. The first sailing from Arran leaves around 8.30 am with the last sailing to the mainland around 7.30 pm. There are typically five sailings to the mainland each day. On a Sunday the operating day is truncated with four sailings and the first sailing to the mainland leaving around 11 am. A late sailing is also offered on a Friday. The winter time-table, with the exception of the late sailing on a Friday, is identical to the summer time-table.

¹ Source: Scottish Transport Statistics No 30: 2011 Edition

Assessment of Current Service Provision

20. Our routes and services methodology allows us to make an evidence-based assessment of current services on the Ardrossan to Brodick route for Arran. The assessment identified a number of significant weaknesses in the current service provision for Ardrossan to Brodick. The frequency of the service on a typical service day needs to be increased. The length of operating day in the summer is also inadequate as a model service would operate further into the evening than at present.

Programme for Future Service Provision

21. Following a rigorous option sifting exercise, the Draft Ferries Plan consulted on the proposal to upgrade the service between Ardrossan to Brodick to a two-vessel service instead of the existing single vessel service. We can now confirm there was general support for this proposal in the Draft Ferries Plan consultation, and that this is the basis for future service provision on the Ardrossan to Brodick route.

Short-Term Measures - 2013

22. At present the service has one dedicated vessel, the *Caledonian Isles*, all year. The *MV Isle of Arran* – the reserve vessel in the fleet - operates for approximately eight weeks during the summer period². The intention is to extend this arrangement meaning that the *MV Isle of Arran* is available for almost all of the summer time-table (May –September) period.

23. Dedicating a second vessel for Ardrossan to Brodick during the more of the summer time-table period will allow for the introduction of a frequent shuttle service operating well into the evening, a substantial improvement on the current level of service provision. We anticipate that some of the stand-out features of a future time-table will be:

- Additional sailings in the morning (between 9 and 10 am), mid-afternoon (around 3 pm) and late afternoon/early evening (around 6 pm). Some of these sailings will operate on all days of the week, others on some days of the week;
- A late evening service at around 10 pm that will operate on some weekdays and during the weekend;
- One sailing day with an early morning sailing at around 7am.

24. The intention is that the *MV Isle of Arran* will also provide a summer only pilot service between Campbeltown³ and Ardrossan (via Arran). Some of the additional sailings between Ardrossan and Brodick will be shared with this new service. A new time-table will be introduced for the summer time-table period.

² Eight week service during summer months has been provided since 2007.

³ Proposals for the Campbeltown service are subject to further discussion with Argyll & Bute Council.

The winter time-table for the Ardrossan to Brodick route will remain the same as at present.

Longer-Term (within the next main CHFS contract period, commencing 2016)

25. The *Isle of Arran* can only be made available as a dedicated vessel for Arran during the summer time-table period in the shorter-term. The purpose of this review of services is to ensure that we prioritise the greatest need amongst all communities dependent on the ferries network. For the winter period the most pressing requirement is to increase the number of sailing days to Barra, South Uist, Coll and Tiree. This will be met by assigning the *Isle of Arran* to these communities during the winter period.

26. Ministers have also made the strategic decision to increase the overall size of the fleet by one vessel capable of taking both passengers and vehicles. The impact of this measure will allow for the *Isle of Arran* (and the replacement vessel for the *Isle of Arran*) to be assigned all year to Ardrossan/Brodick, Kintyre (subject to the findings of the new pilot service during the summer time-table period) and the Firth of Clyde. This offers the prospect of an enhanced winter time-table on the Ardrossan to Brodick route and a possible strengthening of a Campbeltown service, depending on the outcome of the pilot.

Claonaig to Lochranza

27. As noted above, a second route connects Lochranza with Claonaig. Patronage levels in 2010 were 52,000 passengers, 17,000 non-commercial vehicle and 5,000 commercial vehicle (including bus) trips.

28. The Draft Ferries Plan asked a number of pertinent questions about the role of second routes on certain islands. The Draft Ferries Plan took the view that the service would need to be reviewed following any substantial upgrade of services on the Ardrossan to Brodick route. The subsequent consultation attracted a number of comments, particularly from Kintyre residents, about the need to maintain the service.

29. In the case of this route, the principal role is largely to provide a summer only service as part of an island-hopping strategy to support local tourism. This service also carries dangerous goods, which currently cannot be carried on the principal route. There is recognition that this route has a specific different purpose to the principal (Ardrossan-Brodick) route. On this basis, we have concluded that this route will be retained.

KINTYRE

Current Service Provision

Tarbert-Portavadie

30. There is a service between Tarbert and Portavadie which provides a link between the northern end of the Kintyre peninsula and the Cowal peninsula. This is currently the only service linking the Kintyre peninsula to the rest of the Scottish mainland. This service provides a vital link for the local community and will therefore be retained.

Claonaig-Lochranza

31. There is also a service providing a link between Kintyre and Arran, Claonaig-Lochranza. This route will also be retained and the future of this service is discussed in more detail under the section for Arran.

Assessment of Current Service Provision

32. We said in our working principles that for communities where the ferry service is secondary to the current road network, that we would look at ways in which we could provide people with a real choice either by improving existing ferry services or consideration of a new route. Our Household Survey showed that a significant number of residents of Kintyre rely on the road network for travel to urban centres such as Glasgow. The existing ferry service is not seen as competitive with the road network.

33. An analysis of journey times between Campbeltown and Glasgow suggests that a new ferry service from Campbeltown to Ayrshire would offer substantial journey time savings over any existing road journey or combination of road and existing ferry services.

34. The Draft Ferries Plan consulted on proposals that would offer a passenger and vehicle ferry service between Campbeltown and Ayrshire. The response was encouraging and therefore further detailed work has been done on this proposal.

Future Service Provision

Short-Term - 2013

35. A new summer only pilot service will run from Campbeltown (via Arran) to Ardrossan. A service to Campbeltown is possible as a result of the planned substantial upgrade in service provision for the main Arran route to Ayrshire. The service could be provided by the *MV Isle of Arran* and any future replacement vessel. The service is likely to involve three sailing days from Campbeltown each week, and be timed to offer a reasonable day trip, an overnight and weekend stays on the West Coast of Scotland.

Longer-Term (within the next main CHFS contract period, commencing 2016)

36. Subject to the evaluation of the new pilot service, we could link the new service to the longer-term proposals for Arran⁴. These proposals are to have a second vessel available all year round, with the potential to provide an appropriate level of improved services on the Ardrossan-Brodick route and introduce winter services between Campbeltown and Ardrossan.

BUTE

Wemyss Bay to Rothesay

Current Service Provision

37. Bute has two ferry routes; the principal route connects the main settlement of Rothesay to Wemyss Bay on the Scottish mainland. A second route operates between Colintrave (Argyll) and Rhubodach (Bute). This section considers the principal route, which is very popular with 735,000 passengers, 155,000 non-commercial vehicles and 12,600 commercial vehicles trips made in 2010⁵.

38. The current Wemyss Bay to Rothesay service is a two-vessel service which runs seven days per week. A typical operating day starts early morning, leaving Rothesay at 6.25 am (Saturday and Sunday excepted) and runs through to early evening, around 7 pm. A later sailing runs on a Friday, Saturday and Sunday only, leaving Rothesay at 7.45 pm. During the period from early June until mid-August, a later sailing is offered on a Saturday leaving Rothesay at 9.10 pm. The sailing time is around 35 minutes. The winter time-table is similar in scope to the summer time-table, the main distinction being the loss of the later sailing times on Friday, Saturday and Sunday.

Assessment of Current Service Provision

39. Our routes and services methodology allowed us to make an evidence-based assessment of current services on the Wemyss Bay to Rothesay route for Bute. The key difference between the model and actual service profiles for the Wemyss Bay to Rothesay route is the length of the operating day. A model service profile would involve an operating day that extends into the late evening. At present the service only operates to around 7 pm for the last sailing from Bute, although, as we have highlighted, there are a number of later sailings on Friday, Saturday and Sunday evenings. For the winter time-table, the model and actual service profiles are the same.

⁴ The pilot will be evaluated against agreed success criteria.

⁵ Source: Scottish Transport Statistics No 30: 2011 Edition

Future Service Provision

40. Any upgrade to the Wemyss Bay to Rothesay service was considered to be disproportionately expensive. The prospect of double crewing one of the two vessels that currently operate on the route was not regarded as a cost effective option to provide the relatively small additional benefit this would achieve. Additional services cannot be provided within existing crewing provision. Any later evening sailings would involve additional crewing. The Draft Plan therefore consulted on improvements to Colintraive to Rhubodach (see below) with Wemyss Bay to Rothesay retaining the same level of service provision.

41. Respondents to the consultation were minded that we should look again at any possible enhancements to the main Wemyss Bay to Rothesay service. We have done a substantial amount of work with the operator in the meantime and can confirm that the basic position has not changed. However the issue will be given further consideration at the time of deciding on the specification for the next tendered CHFS contract.

Colintraive to Rhubodach

Current Service Provision

42. A second route connects the village of Rhubodach (on the north of Bute) to Argyll at Colintraive. This is a very short crossing – the sailing time is only around five minutes. Although the north of the island is comparatively sparsely populated, the service is popular with tourists; this is reflected in the numbers of coach trips of around 4,000 in 2010. This is four times as many as for Wemyss Bay to Rothesay.

Assessment of Current Service Provision

43. The Colintraive-Rhubodach route is defined as a second route offering a substantial journey time saving and is therefore a main route for certain trips within the community. It is also considered as a route with a different purpose from the main route (for example, it might be mainly used by non-residents such as tourists, and may generate an economic benefit for the local economy). The importance of the route was recognised in the Draft Ferries Plan, which consulted on the prospect of a longer operating day for the Colintraive to Rhubodach service.

44. Opinion was divided with the proposal attracting some support, but also reservations from a number of people and organisations, who were concerned that it might offer limited benefits to the community.

Future Service Provision – Short-Term (2013)

45. In view of the response to the Draft Ferries Plan consultation, we will not consider improvements to the Colintraive to Rhubodach service to the extent suggested in the consultation. However, further work with the current operator

has confirmed that it is possible to make minor improvements to this service in the short term which we believe will benefit the community. Between April and August the last sailing from Rhubodach is 9 pm (for the remainder of the year it is 8 pm). Under the new time-table arrangements the last sailing will be 9 pm all year round.

COWAL PENINSULA AND DUNOON

46. The town centre to town centre service between Gourock and Dunoon was re-tendered in 2011 and the current contract is due to come to an end in 2017. The new service operates on a shuttle-basis for seven days per week from early morning to very late evening but significant concerns have been expressed about its reliability. It is due to be reviewed in time for the next contract period.

47. Alongside this ferry service, a commercial operator provides a vehicle and passenger service, sailing between Hunter's Quay (Dunoon) to McInroy's Point (Gourock). This service provides a twenty minute crossing with four services per hour at peak periods. The service operates from very early morning to late evening.

48. Whilst the outcome of the recent tendering process was the best that could be achieved given the restrictions imposed by the European Commission, Scottish Ministers were disappointed not to be able to continue the vehicle and passenger service on the town centre to town centre service. It is also the case that users of the service have consistently expressed concerns about its reliability.

49. A three point plan for the development of the Gourock-Dunoon town centre route is already being taken forward:

- 1) The implementation of an Improvement Plan by Argyll Ferries – this action has now been completed; however, Transport Scotland continues to work with the operator to seek ongoing improvements. This includes consideration of infrastructure designed for use by passenger ferries.
- 2) The search for a replacement vessel for the MV AliCat – this action is ongoing.
- 3) A feasibility study of a future passenger and vehicle service on the town centre route, with the vehicle-carrying portion being non-subsidised, in line with European Commission requirements. A contract for this study was awarded to experienced transport and maritime consultants in November 2012; interim findings will be reported in February 2013 with the final report due in April 2013.

50. We will continue to work with Argyll and Bute Council, Inverclyde Council and the Dunoon Gourock Ferry Action Group to take these initiatives forward through a Steering Group chaired by the Deputy First Minister. Ministers will

decide, once the feasibility study has concluded and has been considered by the Steering Group, what further actions are needed for this service. The Scottish Government's policy position is unchanged: we would like to see a vehicle and passenger ferry service on the town centre route.

CUMBRAE

Current Service Provision

51. Cumbrae is served by a single ferry service that links the main settlement at Millport with Largs on the Scottish mainland. The annual patronage figures for 2010 show that there were almost 730,000 passengers, 140,000 non-commercial vehicles and 5,000 commercial vehicle trips.

52. A two vessel shuttle service operates on the route during the summer months. A typical operating day is from around 7 am for the first sailing through to 8.30 pm. During the summer time-table period, two later sailings are offered on a Friday. The winter service is a truncated service provided by one vessel.

Assessment of Current Service Provision

53. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Cumbrae. The key difference between the model and actual service profiles is the length of the operating day. For the model service profile we are recommending an operating day that extends into the late evening. At present the service operates to around 8.30 pm for the last sailing, although, as we have highlighted, there are two later sailings on a Friday evening. For the winter time-table, the model and actual service profiles are the same so no change is required.

54. It was considered disproportionately expensive to provide evening services seven days per week. Instead the Draft Ferries Plan consulted on the prospect of later evening services for one or two evenings per week (building on the current Friday evening arrangements). These proposals did not attract any comments from the community, although comments largely in favour of the proposal were received from elsewhere.

Future Service Provision – Short-Term Pilot (2013 Summer Period)

55. We have interpreted no response from the community as evidence that our proposals were not unwelcome. In addition, positive comments were received from elsewhere. It is therefore our intention to introduce a pilot offering later evening sailings on one additional day during the summer time-table period. The pilot will run for the 2013 summer period only.⁶ The existing arrangements on a Friday evening will be retained.

⁶ The pilot will be evaluated against agreed success criteria.

INNER HEBRIDES

MULL

Current Service Provision

56. Mull has four ferry routes. The service to Iona (from Mull) is considered under Iona. Of the remaining three routes, the service between Oban and Craignure is the principal route to the Scottish mainland. The remaining two routes, Fishnish to Lochaline and Tobermory to Kilchoan, connect Mull to the Morvern and Ardnamurchan peninsulas respectively. These routes are considered under Ardnamurchan and Morvern respectively.

57. The current service between Oban and Craignure is provided by a single vessel (the *Isle of Mull*) with a sailing duration of around 45 minutes. A typical operating day during the summer time-table period runs from around 9 am to 7 pm. There are normally six to seven sailings per day, with an earlier sailing on a Monday at 8 am and very early morning sailings on a Thursday and Saturday.

58. The winter time-table is slightly truncated compared with the summer time-table. The service continues to operate a seven day service, with the last service on 4 days from Craignure at 5 pm and on 3 days at 7pm.

Assessment of Current Service Provision

59. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services on the Oban to Craignure route for Mull. Our assessment showed that Mull needs a more frequent service than the six to seven sailings per day provided at present.

60. The model service profile for the length of the operating day during the summer period is for a typical day in excess of 14 hours, running from early in the morning through to late evening. The model service profile would require an extension of the operating day to run earlier and later sailings than is the case at present.

61. For the winter service the gap between the current and model service provision was the actual number of services, rather than the length of the operating day. There was a requirement to increase the current number of services during the winter time-table period.

Programme for Future Service Provision

62. The Draft Ferries Plan consulted on an upgrade to a two-vessel service, both to improve frequency and the length of the operating day, for the Oban to Craignure service. These particular proposals were generally welcomed by the community. We can confirm that this will form the basis of future service provision for the Oban to Craignure service.

Medium-Term – (within the period of the interim CHFS contract)

Winter Period

63. At present the *Isle of Mull* provides services to Colonsay during the winter time-table period. The intention is for the *Isle of Mull* to be a dedicated vessel on the Oban to Craignure link (separate arrangements will be made for the Colonsay service).

64. The effect of this measure is to increase the number of sailings during the winter period on those days when the *Isle of Mull* would previously have been providing a service to Colonsay. We anticipate additional sailings on a Monday, Wednesday and Friday. The summer time-table will not change from the current arrangements during this time.

Longer –Term – within the next main Clyde and Hebrides Ferry Services (CHFS) contract period, commencing 2016)

Summer Period

65. An additional passenger and vehicles vessel will be made available on this route during the summer timetable period. The impact of this change will mean a significant enhancement over the current level of service provision. As well as an increase in the frequency of sailings on a typical operating day, we anticipate early morning departures from Craignure (around 7 am) on most days of the week, and daily evening sailings at around 8 pm and 10 pm.

66. We recognise that the introduction of RET on this route, within the term of this Parliament, will result in a significant decrease in fares and therefore a substantial increase in demand. A series of temporary measures (e.g. chartering an appropriate vessel) will apply to the intervening period between the introduction of RET and the deployment of the additional vessel for the summer period on a permanent basis.

ARDNAMURCHAN/MORVERN

67. There are a total of four ferry services from the Ardnamurchan/Morvern area. Two services, Tobermory to Kilchoan and Fishnish to Lochaline, connect with Mull. The Corran ferry connects to Lochaber. There is also a small passenger-only ferry service from Camusnagaul to Fort William.

Tobermory to Kilchoan

Current Service Provision

68. The Tobermory to Kilchoan ferry service runs seven times per day during the summer time-table period. There is also a Sunday service between May and August. The number of sailings per day drops in the winter time-table period to between three and four sailings per day. The crossing time is around 30 minutes in duration.

Assessment of Current Service Provision

69. The Draft Ferries Plan acknowledged that while the Tobermory to Kilchoan service had many second route characteristics, it was clearly very important to the Ardnamurchan community. However, in view of the comparatively small vehicle patronage, the proposal was made that the present vehicle-passenger service would be replaced with a passenger only service.

70. The Draft Ferries Plan consultation invited people and organisations to comment on the proposed changes to the Tobermory to Kilchoan service. Around two-thirds of respondents expressed dissatisfaction with this proposal. Journey times and the potential damaging economic impact were the main reasons given for why the proposal should not go forward to the Final Ferries Plan.

Future Service Provision

71. We have carried out further work and consultation with the local community. We have carefully considered these representations and recognise that this route provides a particular purpose and provides substantial journey time saving, all generating economic benefit for the local economy. The vehicle-passenger service will therefore be retained for the Tobermory to Kilchoan route. The service will be maintained at current levels.

Lochaline to Fishnish

Current Service Provision

72. The ferry service between Lochaline and Fishnish is a seven day service. The crossing time duration of approximately 20 minutes allows for a frequent service from 7 am to around 7 pm. The number of services is reduced on a Sunday. The number of services per day is reduced further during the winter time-table period, although a seven day service is retained.

Assessment of Current Service Provision

73. The Draft Ferries Plan defined the Lochaline to Fishnish service as a second route. Along with the proposal to upgrade the main route from Oban to Craignure, was the prospect that the Lochaline to Fishnish route would be subject to an operational review following the Oban to Craignure upgrades.

74. As part of the Draft Ferries Plan consultation around two-thirds of the 417 respondents (who commented on proposals for Mull / Ardnamurchan and Morvern) expressed concern over a potential reduction in the level of service provision between Lochaline and Fishnish. Respondents were concerned that the loss or diminution of this service would have a detrimental impact on the lives of residents of Morvern. It was also argued that it was an important island-hopping route and is important to the local economies.

Future Service Provision

75. The route between Lochaline and Fishnish is used as a main route for the community of Morvern. The service will therefore be retained and maintained at current levels.

IONA

Current Service Provision

76. The island is served by a ferry service from Fionnphort on Mull. The crossing time is around ten minutes. A seven day service operates all year. A typical sailing day during the summer period runs from 9 am⁷ to early evening (around 6.30 pm). Services on a Sunday are truncated in the morning, with the first service commencing around 9 am. The winter time-table offers a reduced number of sailings and a later start on a Sunday.

Assessment of Current Service Provision

77. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Iona. The outstanding issue appears to be the length of the operating day during the summer period. A model service profile would require later evening sailings than is currently the case with the existing service.

Future Service Provision – Long-Term

78. The Draft Plan consulted on the prospect of constructing a berthing facility at Fionnphort. This would improve the operational time of the vessel and allow an additional 90 minutes of service time in the evening, allowing for services to operate until 8pm. This proposal was welcomed by the community and will therefore form the basis for future service provision. The proposal is dependent on new physical infrastructure and will be considered as a long-term initiative.

LISMORE

Current Service Provision

79. There are two ferry services that link Lismore with the mainland. A passenger-only service from the north of the island, between Port Appin and Point, and a vehicle service from the south of the island that links to Oban.

80. The passenger service runs seven days per week from around 7 am through to 6.30 pm and has a crossing time of ten minutes. Later sailings are available on a Friday and Saturday. The operating day is truncated on a Sunday. The vehicle service operates to Oban from the south of the island with a crossing time of 50 minutes. During the summer time-table period there are

⁷ A number of arrangements are in place to offer early morning sailings before 9 am.

four services per day from Monday to Saturday and two on a Sunday. A later evening Saturday sailing is available on request. The first service during weekdays is around 8 am and the last around 6 pm. The winter time-table is very similar.

81. The passenger service is currently run by the Local Authority. The vehicle service is the responsibility of the Scottish Government.

Assessment of Current Service Provision

82. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Lismore. Both services between Lismore and the mainland run seven days per week so there is no issue with this particular aspect. A model service would require a more frequent service than the current vehicle service (the frequency of the passenger-only service is satisfactory). Also, both services terminate around the early evening, while a model service profile would offer a longer operating day during the summer time-table period.

Future Service Provision – Long-Term

83. The Draft Ferries Plan consulted on proposals that emerged from the CMAL-commissioned appraisal of future ferry services for Lismore – to replace the two existing services with a single passenger and vehicle service. The fact that neither service meets the model service profile for the island makes the prospect of combining both services, and therefore running a vehicle and passenger service only, very attractive. As noted in the Draft Ferries Plan, because of the shorter crossing time, any future service should be from Port Appin to Point, the current route for the passenger-only vessel.

84. The consultation itself highlighted a difference of opinion, with those in favour and those against finely balanced (although, amongst Lismore residents, more people were against the proposal than for⁸). The key problem appears to be with the choice of route for any improved vehicle-passenger service, with many respondents expressing concerns about the need for infrastructure improvements and the effects on journey times (to Oban) and possible wider adverse economic impacts associated with the Draft Plan proposal.

85. We have considered these responses carefully. As we stated in our working principles that we will work towards combining routes that overlap. We intend therefore to work towards a single route from Port Appin to Point, which is the shorter of the two crossings. The service would be a passenger vehicle service and would realise the improvements in frequency of sailing and length of operating day of the recommended model service profile.

86. This is a longer-term proposal as we recognise considerable improvements will be required to port infrastructure, public transport and road

⁸ We need to be mindful that only 34 residents of Lismore responded to the Draft Plan consultation.

links. This range of issues will require further work and engagement with the community. We also intend to work with the Local Authority and other partners on the precise arrangements for this future service.

COLL & TIREE

Current Service Provision

87. Both islands share a ferry service that links them with Oban on the Scottish mainland⁹. It is around a three hour sailing time and provides a single service (return from Oban) seven days per week during the summer time-table period. During the winter period the number of days the service operates drops to four days only.

Assessment of Current Service Provision

88. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Coll and Tiree. The key difference between the current and model service profiles is the number of sailing days during the winter time-table period. The model service profile requires a daily return service from Coll and Tiree during the winter period.

Future Service Provision

89. The Draft Ferries Plan consulted on the requirement to improve the number of sailing days in the winter period, with a commitment to extend the time-table to six operating days per week. This commitment was subsequently welcomed, although very few responses were received from residents of Coll and Tiree. Representation was also made, mainly from Mull residents, about the possibility of a limited number of sailings calling in at Tobermory.

Short-Term – winter 2013/14

90. Currently the *Clansman* provides an all year service for Coll and Tiree (along with other islands). The service is augmented during the summer time-table period with the *Lord of the Isles (LOTI)*. The difference in sailing days between the summer and winter time-table periods is because of the availability of these two vessels in the summer, as opposed to one vessel during the winter. The *LOTI* is unable to stay on-route during the winter time-table period, as she is used as a relief vessel when the larger vessels in the fleet are rotated through their annual refit programme.

91. The proposal from the winter of 2013/14 is to deploy the *MV Isle of Arran* – to ensure a two-vessel service for Coll and Tiree during the winter period. The operational impact of this decision will be to provide an additional sailing day during most of the winter time-table period (the current winter time-table will apply during the annual 4 week refit period for the *MV Isle of Arran*).

⁹ The service also runs via Barra on a Thursday during the summer time-table period.

Longer-Term (within the next main CHFS contract period, commencing 2016)

92. In the long-term the *Isle of Arran/replacement* will not be available during the winter time-table period for this route. (Isle of Arran will be deployed on the Firth of Clyde.) The proposal for the new Oban Craignure service during the summer period will see two vessels operate on this particular route. One of these vessels will be deployed during the winter time-table to Barra, Coll and Tiree to enable the improved level of service to continue to be delivered. At this time we will also consider what other services may be offered to improve the level of provision within the new time-table.

Kerrera, Luing and Easdale Island

93. Our Draft Ferries Plan explained that the Kerrera ferry service is currently commercially run, whilst the Luing and Easdale services are currently provided by the Local Authority. As noted in chapter 5 our intention is to continue our discussions with local authorities about whether they wish to transfer responsibility for routes they are currently responsible for to Scottish Government.

94. We also noted that, for commercially run services, we will consider intervening where there is market failure and the service is considered to be lifeline. It has become clear that the commercially run service for Kerrera does not meet the needs of the community and is not sustainable either now or in a form that would meet the needs of the community. We have therefore been working to plan a package of measures for the continued provision of ferry services on the island. We are pursuing a solution in relation to this with Argyll and Bute Council. In the meantime, we are working with the Kerrera community and current ferry operators to provide short-term grant support for ferry operation and urgent improvements to infrastructure. We anticipate this support will continue for around 18 months to 2 years, until a longer term solution is found.

NORTHERN ISLES

95. Shetland only has one route from Aberdeen to Lerwick. Orkney's principal route is across the Pentland Firth and a further route is provided between Aberdeen and Kirkwall. The Pentland Firth is served by three providers, a publicly-funded service operating from Scrabster to Stromness, and two commercial services, one operating between Gill's Bay to St Margaret's Hope, and another summer-only service operating out of John O'Groats.

Assessment of Current Service Provision

96. Our routes and services methodology suggested that services to the Northern Isles were broadly fit for purpose. The service from Aberdeen, as the only service to Shetland, is key but also must enable travel from Orkney to the Scottish mainland and facilitate links between both communities. The Pentland Firth services, taken together, were also considered to be sufficient to meet the needs of the Orkney community. The proposal in the Draft Ferries Plan was therefore to retain a broadly similar level of service to that already provided. This was reflected in the Northern Isles contract for the period 2012 to 2018.

Northern Isles Contract (2012-18)

97. The total value of the new Northern Isles contract represents a Scottish Government investment of more than £243 million over 6 years. Serco NorthLink provide the current contract (contract from 2012 to 2018). Building on the work by the previous operator, Northlink Ferries Ltd, Serco are committed to taking the Northern Isles ferry services forward and passengers will see improvements to the journey experience with: improved ticketing arrangements; premium reclining seats added on board overnight services; and improved catering, hospitality and customer care facilities.

Key service elements to note are:

- *Maintaining the 90 minute services from Scrabster to Stromness;*
- *An assurance that there will be no repetition of the dry dock problems of the previous contract;*
- *An assurance that services are available for time sensitive freight; and*
- *An Improved overall passenger experience.*

98. The new contract rectifies the difficulties in recent years caused by an extended dry dock period and under the new contract vessels will not be laid up for long periods of time. Hjaltland and Hrossey will not be used to relieve the Scrabster-Stromness route as has happened in the past. A different replacement vessel will be used to cover Hamnavoe's dry-dock periods.

99. The needs of freight customers were also a priority in the specification for the new contract including vital time sensitive freight exports like fish and seasonal livestock and vital imports like supermarket goods.

Orkney and Shetland Isles

100. The services within the Orkney and Shetland Isles are currently the responsibility of the respective local authorities. The Draft Ferries Plan indicated our intention to discuss these and other Local Authority services with the responsible authority if they wished, and through these discussions determine the future responsibility for the services.

101. We have made significant progress with some local authorities, but there is still much to do. Our intention is to progress this work as quickly as possible but it is important that we ensure consistency in our approach across all local authorities. We have therefore provided local authorities with a set of principles that will apply should they wish to transfer responsibility. See Appendix 5.

102. We will continue to work closely with the relevant local authorities on taking this work forward. Further information about progress made with Local Authorities is provided in Chapter 5.

SKYE, RAASAY, THE SMALL ISLES AND KNOYDART

SKYE

Current Service Provision

103. The current service between Mallaig and Armadale runs seven days per week all year. There are typically eight sailings on a Monday to Saturday during the summer time-table period, with less on a Sunday. In the winter the number of services drops significantly to two services per day Monday to Saturday and one service on a Sunday.

Future Service Provision

104. In the Draft Ferries Plan we consulted on proposals to retain the existing service, both during the summer and winter, with the winter service continuing to receive a subsidy and the summer service, recognising the revenue potential, being offered with minimum subsidy.

105. Our proposal attracted a degree of criticism from the local community. In particular there was a concern that the proposal to offer minimum subsidy during the summer would inevitable lead to higher fares. The argument was that this would have an adverse effect on local tourism.

106. We have taken careful consideration of these representations. We can confirm that the service will continue to be tendered within the network and be maintained at current levels. In addition, fare level going forward will be determined by future fares policy for the network.

RAASAY

Current Service Provision

107. Raasay is served by a ferry service that links Raasay with Sconser, on Skye. The crossing time is approximately 25 minutes. The service operates 7 days a week all year. During the summer time-table period the service operates on a frequent basis from around 8 am to 6 pm (there is a later sailing at 8.30 pm on a Saturday). The service day on a Sunday is significantly reduced with

only two services at 10 am and 4 pm leaving Raasay. The winter service is very similar to the summer service.

One of the new 'hybrid' vessels currently being built by Ferguson Shipbuilders, will be deployed on the Raasay service from summer 2013, following on from the £12m of investment in Raasay pier in 2010. Funding for these works came from both Scottish Government and the Local Authority. Work has begun on the upgrade of the Sconser ferry terminal, including a new waiting room, toilets, car parking and marshalling facilities. The new terminal is due to open in summer 2013. These works will cost approximately £2 m and will be met by funding from the European Commission. Work on widening and lengthening the slipway for the introduction of the Hybrid vessel will also be carried out at a cost of £1.5 m, funded by Highland Council.

Assessment of Current Service Provision

108. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Raasay. The key gap is the length of the operating day during the summer period. The model service profile suggests that later evening services should be made available than is the case at present with the existing service. As noted above, typically the last sailing from Raasay is around 6 pm.

Future Service Provision

109. The Draft Ferries Plan consulted on a proposal to retain the status-quo of service provision for Raasay. It was decided that any possible changes that could address the service level gap would be disproportionately expensive. This situation would be kept under review and would be considered again at the time of the next tender for these services.

110. In response to the Draft Ferries Plan Consultation, the community council agreed that an adjusted time-table would be beneficial in allowing residents of Raasay to work on Skye, maintaining the viability of living on Raasay. There was also support from the Local Authority and a ferry/transport group in support of later evening sailings. In view of this the intention is to retain the recommendation of the Draft Ferries Plan. The prospect of evening sailings will therefore be kept under review and considered for the next tender period.

SMALL ISLES

Current Service Provision

111. The Small Isles are served by a ferry service from Mallaig. The service leaves Mallaig and, depending on which day, calls in at various islands within the Small Isles group and returns to Mallaig. An island can receive two stops in a single loop, as the service calls first on its outward journey and then second, as it returns to Mallaig. On a Friday and Saturday the vessel makes two journeys, but it is still not possible for residents to make a meaningful return trip

to the Scottish mainland in the course of a normal working day. The service effectively only permits residents to leave the island.

112. During the summer time-table period Eigg and Rum have five sailing days and Muck and Canna have four sailing days. There are no sailings on a Sunday. In the winter time-table period the number of sailing days reduces to four for Eigg and Rum and three for Canna, although one of these sailing days provides a Sunday service for Canna. Muck retains four sailing days in the winter.

Assessment of Current Service Provision

113. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for the Small Isles. The key difference between the current and model service profiles is the number of sailing days. The number of sailing days for the current service ranges from between three and five days depending on the actual island within the Small Isles group. The model service would mean a seven day service for each island all year. The assessment also noted that it is not possible to make a meaningful return journey to the mainland from any of the Small Isles.

Programme for Future Service Provision

Short-Term – summer 2013

114. The Draft Ferries Plan consulted on a number of short-term measures that, taken together, would address some of the deficiencies with the current time-table. These were:

- A new Sunday service to each island within the Small Isles group;
- A Friday/Saturday level of service on more days (i.e. two sailings as opposed to one sailing per day);
- At least one day per week a revised time-table would allow residents to make a meaningful return trip to the mainland in the course of a normal working day.

115. These proposals were welcomed during the consultation. We have worked with the current operator and changes to the current timetable, addressing all of the needs, will be implemented in summer 2013.

Medium-Term – (within the period of the interim CHFS contract, 2015/16)

116. As a medium-term proposal, the Draft Plan asked the affected communities to consider a two-vessel solution with a passenger and small freight service calling at each island seven days per week and supplemented by a once per week ro-ro service for vehicles.

117. These proposals were broadly welcomed by respondents. There was however some concern expressed about the Draft Ferries Plan proposal

involving only one freight service per week. There was a call for a ro-ro service on several days per week to allow for greater flexibility.

118. We have taken careful stock of these views and are minded to retain a two-vessel service for the Small Isles as a medium-term proposal. A single vessel providing a passenger and vehicle service can not provide a seven day service to each island and for one of those days ensure that it is possible to make a meaningful return trip to the mainland. A two vessel service, including a fast passenger only service, would allow for this.

119. For a minimum of two days per week the service will be provided by a ro-ro vessel and on the remaining days by the passenger and small freight vessel which is still to be procured. This increases the role of the ro-ro vessel and recognises the concerns expressed regarding a once a week service. It should now be possible to plan activity involving vehicle movement to the Small Isles within a given week. We will ensure the operator consults with each community on the particular days for the ro-ro service nearer the time.

120. We believe that these new proposals offer the best way forward for the Small Isles service. A two-vessel service combines improvements in overall service provision - a service on each day of the week with a meaningful return trip to the mainland on one of these days - while maintaining a satisfactory level of vehicle access using a ro-ro service at least two days per week.

Knoydart

Current Service Provision

121. The current ferry service from Mallaig to Knoydart runs three days per week (Monday, Wednesday and Friday) all year. A service runs both in the morning and afternoon for each of the three sailing days. The service is not funded by Scottish Government.

Assessment of Current Service Provision

122. There was insufficient data to make a robust assessment of the routes and services for Knoydart using our routes and services needs-based assessment tool. That aside, the Draft Ferries Plan consulted on additional sailing days for Knoydart.

123. The consultation showed support for this proposal - one response was actually a collation of 27 responses from Knoydart residents – with people citing that additional sailing days would preclude the need to book overnight accommodation on the mainland, offer improved mail delivery and opportunities for the development of tourism. This is linked to the frequency of service.

Future Service Provision

Medium-Term – (within the period of the interim CHFS contract, 2015/16)

124. The intention then is that we will work with the community, the existing operators and our partners on how improvements could be made to this particular ferry service. It is certainly possible to include Knoydart as part of our medium-term proposals for the Small Isles, strengthening the present service with the addition of more sailing days for the community (see medium term proposals for the Small Isles).

SOUTHERN HEBRIDES

ISLAY & JURA

Current Service Provision

125. Islay has two ferry routes linking Kennacraig (located on the north-west coast of the Kintyre peninsula) with Port Askaig and Port Ellen. This is a popular route with approximately 175,000 passenger, 55,000 non-commercial vehicle and 10,000 commercial vehicle trips made during the calendar year 2011.

126. Currently two vessels operate the route including the *MV Finlaggan* (from summer 2011). The journey time takes between two and two-and-a-half hours. During the summer time-table period there are four sailings per day from a Monday to Saturday, and three on a Sunday, from either Port Askaig or Port Ellen. The majority of services, around three in every four, arrive and depart from Port Ellen. The first service is typically around 7 am with the last service leaving around 6 pm. During the summer time-table period Islay also benefits from a return sailing on a Wednesday from Port Askaig, via Colonsay, to Oban. The winter time-table is broadly comparable.

127. A shuttle passenger and vehicle service links Jura residents with Port Askaig and mainland ferry services. This service is currently provided by the Local Authority.

Assessment of Current Service Provision

128. Our needs-based assessment of the mainland services from Islay has indicated that the existing service already meets the needs of the community and should therefore be retained at its current level.

129. We did not have sufficient information to carry out a full needs based assessment for Jura. However, we recognised that as the ferry service runs to Islay, there is a need to consider the level of accessibility available between Jura and Islay. We identified two cost effective options:

- (a) for onward travel only to the Scottish mainland, Jura residents would qualify for free travel between Jura and Islay, and;

- (b) a rebalancing of service provision from Port Ellen to Port Askaig, on the basis that the latter is much more centrally located for Islay and Jura.

Future service Provision

130. The intention is to move forward with the first proposal, to offer zero cost fares when the journey includes onward travel to and from the Scottish mainland. This was broadly welcomed by Jura residents in the Draft Ferries Plan consultation. This proposal is dependent on the outcome of the discussions with Argyll & Bute Council about transferring responsibility for their Local Authority ferry services to Scottish Government.

131. The proposal to shift service provision from Port Ellen to Port Askaig was also welcomed by Jura residents but attracted significant opposition from many residents of Islay. Around three-quarters of Islay residents that responded to the consultation disagreed with this proposal expressing concern about the potential impact on the local economy and journey times.

132. We have been mindful of this representation from Islay. But we also are required to balance this against the needs of residents of Jura. We have concluded that rather than a significant rebalancing of services from Port Ellen to Port Askaig, the intention would be to shift one service per week on a Saturday. This change is the direct consequence of our proposals for Colonsay (see below) and will apply for the summer period only. As well as improving services to Colonsay by providing an additional sailing day, it also marginally improves accessibility for residents of Jura without significantly changing the current balance of services between Port Askaig and Port Ellen.

COLONSAY

Current Service Provision

133. Colonsay is served by a single vessel service that connects the island with Oban. The journey takes around two-and-a-half hours. There is one service per day during the summer time-table period except on a Saturday. On a Monday the sailing is from Oban to Colonsay only. (It is not possible to leave and return to Colonsay on the same day, except on a Wednesday when it is possible to spend only a very short time on the mainland). Colonsay also benefits from a second sailing on a Wednesday when the Islay service calls in as a stopping point to Oban. The service drops substantially during the winter time-table period. During this period there are three sailing days, on a Monday, Wednesday and Friday from Oban. From winter 2012, the Saturday service from Islay, via Colonsay to Oban will run for the entire winter time-table period.

Assessment of Current Service Provision

134. Our needs-based assessment tool allows us to make an evidence-based assessment of current services for Colonsay. Although the key difference between the current and model service profiles is the number of sailing days

during the winter time-table period, this position will as noted above improve for winter 2012. There are now four sailing days during the winter time-table period. There is also a requirement for a seven day service during the summer; currently it is six days (with the Monday service to Colonsay but not leaving Colonsay). The assessment also noted that it was not possible to make a meaningful day return trip to the mainland from Colonsay and that this should be made possible.

Future Service Provision

135. The Draft Plan consulted on three proposals (a) an additional sailing day during the summer time-table period (b) the possibility of a meaningful return trip to the mainland also during the summer period, and (c) to work towards an increase in the number of sailing days during the winter time-table period. These proposals were broadly welcomed, although very few responses were received from the actual residents of Colonsay.

Short-Term – summer 2013

136. As a temporary step we will for the summer months introduce a service on a Saturday from Colonsay, via Islay, to Kennacraig. This will be the second sailing out of Kennacraig to Islay, going via Port Askaig rather than Port Ellen. A service to Kennacraig is already provided during the winter months on a Saturday.

137. For services to Oban, the commitment for an additional sailing day in the summer and sailing days in the winter is not possible in the short-term. At present Colonsay does not have a dedicated vessel service - the summer time-table period is provided by the *Lord of the Isles (LOTI)* and the winter period by the *Isle of Mull*. Therefore no progress can be made with the existing vessel configuration without disadvantaging other communities.

Medium-Term – (within the period of the interim CHFS contract)

138. The medium term proposal envisages the current ro-ro vessel for the Small Isles being reassigned to provide an all year service dedicated vessel for Colonsay. The impact of this will mean an increase in the number of sailing days from four to six during the winter time-table period and a seven day service during the summer. It is envisaged that the time-table for the summer period only will include a day per week where it will be possible to make a return journey to Oban, with a reasonable stop-over period, in one day. This will not be possible in the winter because of constraints on berthing outside daylight operating hours.

GIGHA

Current Service Provision

139. Gigha is served by a single ferry service that links the main settlement at Ardminish with Tayinloan on Kintyre. The crossing takes around 20 minutes. In

2011 there were approximately 60,000 passenger, 13,000 non-commercial vehicle and 1,400 commercial vehicle trips made.

140. The service runs seven days per week. In the summer time-table period a frequent service operates from early morning, 8.30 am. During school term time an earlier service operates from 7.35 am to late afternoon, with the last sailing at 5.30 pm. A later sailing at 6.30 pm operates on a Friday only. The number of services is reduced on a Sunday and the length of the operating day is truncated. The winter time-table service is broadly comparable.

Assessment of Current Service Provision

141. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Gigha. The key difference between the current and model service profiles is the length of the operating day during the summer time-table period. Currently, services are suspended late afternoon. The model service profile envisages that services would continue much later into the late evening.

Future Service Provision – Long-Term

142. The Draft Plan consulted on a proposal to make improvements to the Ardmish facilities to allow the vessel to be permanently berthed at this location. This would improve the operational time of the vessel, some of which is currently used to position the vessel at its start point (at present the vessel is stationed on the south point of the island). This is confirmed as the proposal for Gigha. The proposal is dependent on new physical infrastructure and will be considered as a long-term initiative.

WESTERN ISLES

Barra

Current Service Provision

143. Barra has one mainland ferry link from Castlebay to Oban. Because of the substantial distances involved, a typical journey time is around five hours. During the summer time-table period there is at least one single sailing on six days, except on a Saturday. Some of the sailings are shared with Lochboisdale during the summer time-table period. During the winter time-table period the number of sailing days is reduced to four days on a Monday, Wednesday and Friday, and an overnight sailing on a Thursday. For a period during the winter all of the sailings are shared with Lochboisdale.

Assessment of Current Service Provision

144. Our routes and services needs-based assessment tool allows us to make an evidence-based assessment of current services for Barra. The key difference between the model and actual service profiles is the number of sailing days during the winter time-table period. Currently there are only four

sailing days during this period. The recommendation is that this should be increased to at least five sailing days.

Programme for Future Service Provision

Short-Term – winter 2013/14

145. The difference in sailing days between the summer and winter time-table periods to Barra is a direct result of vessel availability with two vessels available in the summer time-table period, opposed to one vessel during the winter. The Clansman provides an all-year service, while the Lord of the Isles (LOTI) is available during the summer time-table period only. The *LOTI* is unable to stay on-route during the winter time-table period, as it is used as a relief vessel as the larger vessels in the fleet are rotated through their annual refit programme.

146. The proposal from the winter of 2013/14 is to deploy the *MV Isle of Arran* – to ensure a two-vessel service for Barra during the winter period. The operational impact of this decision will be to provide an additional sailing day during most of the winter time-table period (the current winter time-table will apply during the annual 4 week refit period for the *MV Isle of Arran*).

Longer-Term (within the next tendered CHFS contract period, commencing 2016)

147. In the long-term the *Isle of Arran/replacement* will not be available during the winter time-table period for this route. (*Isle of Arran* will be deployed on the Firth of Clyde.) The proposal for the new Oban Craignure service during the summer period will see two vessels operate on this particular route. One of these vessels will be deployed during the winter time-table to Barra, Coll and Tiree to enable the improved level of service to continue to be delivered. At this time we will also consider what other services may be offered to improve the level of provision within the new time-table.

Uists and Benbecula

Current Service Provision

148. There are two ferry services that connect the Uists and Benbecula with the Scottish mainland. Services between Lochmaddy and Uig run seven days per week all year with an average of two return sailings per day. The winter time-table period is comparable. Journey times are around one-and-three-quarter hours.

Assessment of Current Service Provision

Uig to Lochmaddy

149. The existing service matches the model service provision. No further changes are required to this particular service¹⁰. The future service provision for the Lochmaddy to Uig service will be maintained at current levels.

Oban to Lochboisdale

150. A second set of services connect Lochboisdale with Oban. This is largely a shared triangular service with Barra. During the summer time-table period, there are four sailing days with one sailing per day. For the winter time-table period, the number of sailing days is also four. The direct journey time is around five hours, although only three are direct in the summer and one in the winter.

151. As noted in the Draft Ferries Plan, the route between Lochboisdale and Oban carries significantly less in terms of patronage than the route between Lochmaddy and Uig. The crossing on the Lochmaddy to Uig route is also considerably shorter. However, given the substantial journey time saving that this route offers to residents of South Uist, and the importance of the future viability of the local community, we consider that this route should be retained.

Future Service Provision

152. The Draft Ferries Plan consulted on the prospect of an improvement in services to Barra. Because of the linked service with South Uist, any improvements could also have beneficial consequences for the Oban to Lochboisdale service.

153. Currently there are four sailings days (including the overnight sailing on a Thursday) during the winter time-table period for Castlebay/Lochboisdale to Oban. Under our proposals for Barra, this will be increased to five sailing days

Proposals for a Lochboisdale to Mallaig Service

154. Strong representation was received in response to the Draft Ferries Plan consultation.

155. At the moment, the triangular Oban-Castlebay-Lochboisdale service is provided principally by one vessel during the summer months (with a second vessel providing a limited number of additional sailings). To provide a separate service to Mallaig from Lochboisdale would mean a reduction in service provision on the Oban-Barra route, equivalent to the winter service where there is only one vessel on the route.

¹⁰ Recent enhancements include a Friday night sailing in summer and a direct sailing on a Tuesday and Saturday in winter.

156. The only feasible way to provide this service without a diminution of services elsewhere would therefore mean an additional vessel. An additional vessel for this route would require between £20m to £40m of capital investment and a running cost of around £3-4m per annum. Over the lifetime of an additional vessel (30-40 years) this amounts to over £100m of public funding.

157. Despite this, as we confirmed in the Draft Ferries Plan, when other planned improvements to services to, and within, the Western Isles are being made Ministers will consider the economic viability of a service between Mallaig and Lochboisdale. This issue will next be given consideration at the time of deciding on the specification for the next tendered CHFS contract.

Lewis and Harris

Current Service Provision

158. Lewis and Harris have two services to the Scottish mainland. There is a ferry service between Stornoway and Ullapool (in Ross and Cromarty) with a crossing time of between two-and-a-half and three hours. This is a key route for the Western Isles and this is reflected in the traffic that is carried; for the year 2011 around 230,000 passengers, 70,000 non-commercial vehicle and 15,000 commercial vehicle trips were made.

159. During the summer time-table period the service runs seven days a week. On a Monday to Saturday there are normally two return sailings per day, and in the high season three return sailings on a Wednesday and Friday. An overnight freight service 7 days per week is also available. There is one sailing on a Sunday. The winter time-table period is broadly comparable in that there are sailings available on each day and two sailings for each day from Monday through to Saturday.¹¹

160. The other service to the mainland connects Tarbert (in Harris) with Uig (in Skye). The service shares a vessel with the Lochmaddy (North Uist) to Uig service. Journey times are comparatively short on this route at around one hour and 40 minutes. This is also a seven day a week service with at least one sailing available each day and for most days two outgoing sailings available. The winter time-table period affects the level of service provision. Seven sailing days are retained but there are only three days which offer two sailings per day.

Assessment of Current Service Provision

161. Both services – Ullapool to Stornoway and Uig to Tarbert - match their model service profiles. No changes are therefore proposed. However, additional sailings on a Friday and Sunday from Uig-Tarbert have recently been introduced. Our intention is to retain these services in the longer term. Also, significant investment of almost £42m for a new vessel for passenger and

¹¹ The introduction of the new Stornoway-Ullapool vessel will lead to further consultation on the time-table.

freight transport on the Stornoway-Ullapool route was announced in June 2012. This vessel is expected to be introduced in 2014.

Conclusion

162. Appendix 7 provides details of the number of additional sailings to be made available when the above changes are introduced.

Chapter 4: Fares

Introduction

1. Our Draft Ferries Plan made clear that we would replace the route-specific nature of fare-setting with one single overarching framework. We also said that we would roll-out the Road Equivalent Tariff (RET) scheme across the network as the basis for single fares.

2. The Scottish Government is responsible for agreeing fare levels, including annual increases to be applied, on all routes included in the CHFS contract currently operated by CalMac, routes included in the Northern Isles contract, currently operated by Serco NorthLink and on the Gourock-Dunoon town centre to town centre route. Local Authorities are responsible for setting and agreeing fares for all of the ferry services that they provide. Setting fare levels for privately operated services is of course a matter for each commercial operator.

3. As noted in the Draft Ferries Plan, RET will be rolled out to lifeline ferry services only. Where we are not responsible for the delivery of those lifeline routes we will discuss the appropriate form and timing of any roll-out with those who are, i.e. the Local Authority or the commercial operator.

Our Key Principles

4. A fares system will depend on the principles that underpin it. In this section we describe our principles in relation to our RET policy in more detail.

Simplicity and Transparency

The basis for fares must have an established rationale, and be relatively simple for a user to understand.

5. Along with the administrative benefits to the operator, a simplified fare structure which is generally understood by users, with a clear rationale, provides a framework to achieve certain key objectives. In contrast, the complexity of the existing fares system – for example there is around 10,000 different fares on the CHFS network – inhibits the effectiveness of future policy changes on fare-setting.

Comparability and Consistency

The basis for fares should be the same for each community.

6. A review of existing fares shows a variation in the cost per mile rates between different routes regardless of patronage type. For example, Oban - Craignure which is approximately 9.3 miles has a vehicle and driver cost per mile fare of £7.72 and Wemyss Bay-Rothesay which is approximately 6.8 miles has a vehicle and driver cost per mile rate of £5.97.

7. Importantly, these differences in fares between routes appear to be unrelated to the different costs of either ports or vessels. Historically, fare-setting has been particular to the route (or community) and doesn't appear to be strongly linked to any underlying rationale or consideration.

Public Sector Affordability versus Community Sustainability

Fare-setting needs to balance the different requirements of public sector affordability with community sustainability

8. Fare-setting needs to balance the wellbeing of communities against the public sector cost. Fare levels that are set too high can have adverse consequences for what, in many cases, are quite fragile local economies. Commercial fares, that would recover the costs of running these services, would be hugely damaging on services that require a substantial degree of public subsidy.

9. On the other hand, cheaper fares are not self-financing; the additional patronage does not offset the cost of lower fares. The gap in funding is made up by additional subsidy from the public sector. There is a trade-off between cost recovery (higher fares) and social and economic requirements for the future sustainability of communities (lower fares).

Car and Driver/Passenger Fares

Road Equivalent Tariff (RET)

Commitment

To roll out a road equivalent tariff (RET) system of fares across the network.

10. As a demonstration of our principles the commitment of the Scottish Government is to roll out RET fares for passengers, cars including small commercial vehicles up to 6 metres, and coaches. This will mean that ferry users will pay the same rate per mile, regardless of where they are travelling from and to by ferry. A system of RET for these fare groups will resolve the issue of comparability and consistency with the current fare structure.

On 29 November 2011, we announced our intention for:

- RET for passengers, cars including small commercial vehicles and coaches to become a permanent feature on routes to the Western Isles, Coll and Tiree;
- RET on the same basis as outlined above to be introduced as a pilot from October 2012, on Islay, Colonsay and Gigha;
- RET on the same basis as outlined above to be introduced as a pilot from October 2014, on routes to Arran; and
- RET to be rolled on the same basis within the term of this Parliament, to all other West Coast and Clyde islands including the Sound of Barra and Sound of Harris.

11. The tables below provide a summary of our plans to roll-out RET.

Timing of roll out of RET

Western Isles, Coll & Tiree	October 2008 (now permanent)
Islay, Colonsay & Gigha	October 2012
Arran	October 2014
Rest of Clyde & Hebrides ferry services network	Within this term of Parliament

Additional concessions with RET

Commercial Vehicle Length	Extension of definition of commercial vehicle from 5m to 6m
Hay & Livestock	Returning lorries carrying hay or livestock returning lorries travel free when empty, other than a charge to cover the pier dues
Shellfish	Returning lorries carrying hay or livestock returning lorries travel free when empty, other than a charge to cover the pier dues. In addition, an exemption to the weight limit for Light Goods Vehicles less than 6 metres in length, carrying live shellfish, to allow them to qualify for the non-commercial vehicle rate

Commitment

RET single fares will be competitive with any discounts that would or might be available through any multi-journey equivalent ticket scheme.

12. The Scottish Government is committed to lower fares for all passengers, cars including small commercial vehicles and coaches. At present the CalMac routes that do not have RET offer people access to cheaper tickets by purchasing booklets of multi-journey tickets. This ticket type will be replaced (along with saver returns and other forms of multi-journey ticket) by single RET tickets. The guarantee is that the price of an RET ticket will be competitive with the single-journey equivalent of a multi-journey ticket. In most situations, regular users will find that the effective cost of a single journey has reduced under RET. And there will no longer be a requirement to purchase booklets of tickets at significant cost to access these prices.

Commitment

No one will pay more for an RET fare than their current standard single fare

13. As noted in the Draft Ferries Plan, for the Northern Isles, implementing RET now or in the next few years, would mean an increase on a range of fares currently available. We explained that our intention is to phase in the introduction of RET fares over a much longer time-frame so that no one will pay more for a RET fare than their current standard single fare. This position has not changed. In the meantime, all communities will be entitled to retain their existing fare structure.

14. Depending on the future allocation of responsibility for ferry services, it may be that other communities could be affected in a similar way and the same principles would apply.

Eligibility Criteria for RET Fares

Commitment

Non-residents will be eligible for RET fares

15. The Draft Plan confirmed that a future fares policy would not make a distinction between residents and non-residents or visitors. This position has not changed. Higher fares for non-residents would undermine some of our key principles around simplicity, transparency and the requirement for a system that is relatively straightforward for the operator to administer.

16. During the course of this Review many people and organisations expressed concerns that higher non-resident fares would have adverse consequences on areas such as tourism. Higher non-resident fares would also discourage the strong social ties between residents and friends and family living elsewhere. This is a view that is shared by the Scottish Government.

Commitment

Existing allowances will be retained

17. The current National Concessionary Travel Scheme for older and disabled people and the Young Scot Concessionary Travel scheme will be retained under RET. Further information about the National Concessionary Travel Scheme can be found on the [Transport Scotland website](#).

Commitment

Demand will be managed on busy sailings

18. Cheaper (RET) fares are not a panacea. We know from the period of the RET pilot on the Western Isles, Coll and Tiree that on average the additional car traffic amounted to approximately 30 per cent. While this additional activity

is broadly welcomed, we need to meet the challenge of the greater likelihood of capacity constraints in the future.

19. As explained in the Draft Ferries Plan, RET offers a uniform fares structure, in which everyone is treated the same, regardless of their particular need to travel. We recognise however that these needs are different and some people will have a greater willingness to pay than others, based on the purpose behind their journey. Also, some people might occasionally travel, and can be flexible about when they travel. Others have to travel regularly, often at short notice, and there is little or no discretion about the timing of that travel. We confirmed in the Draft Ferries Plan, that there would be a requirement for some form of demand management and that this was well supported by a range of organisations with a significant interest in the ferry services.

20. While RET will form the basis for the fares structure across all sailings, the operator will have the opportunity to bring forward proposals on how they intend to manage demand where there is excess demand. Demand management will only be considered where projected demand on a particular route, as a result of the introduction of RET, indicates that this is necessary. Each community will be different in this regard. The operator will consult with the community and agree the level of demand management to be introduced. Demand management techniques will only be introduced if they are agreed by the community.

21. It may be that for shorter crossings with a distinctive operating day it will be possible to distinguish between peak and off-peak services. Typically peak sailings will be around commuter times covering the early morning and later afternoon/early evening period, with services during the day and in the late evenings revert to off-peak. For longer journey and crossing times, where there might only be one or two services a day, the busy sailings might be for two-three weeks during July, or a particular sailing might be extremely popular.

22. Proposals set out by the operator will be discussed with a range of stakeholders, including the local Ferry Committee or User Group, before they move to the implementation stage. As noted above, in introducing RET we will not make a distinction between residents and non-residents or visitors. The same principle will be applied when considering demand managements.

Large Commercial Vehicles

Commitment

Western Isles/ Coll and Tiree

23. At the completion of the RET Pilot Study on the Western Isles, Coll and Tiree, Scottish Ministers were persuaded that there was not a compelling case to retain RET for commercial vehicles. Recognising the financial implications of such a decision for hauliers, a transitional protection scheme is currently in place for commercial traffic on the Western Isles, Coll and Tiree.

24. Following the removal of RET for commercial vehicles on these routes we re-introduced the concessions provided elsewhere on the CHFS routes for hay and livestock carriers. In addition, we introduced a further concession for commercial vehicles carrying live shellfish. All of these carriers travel free when they return empty, other than a charge to cover pier dues.

25. A study on freight fares is currently underway on the Western Isles, Coll and Tiree economies, which involves a range of stakeholders. The findings of this study will be used to inform future fares policy for commercial vehicles.

A comprehensive review of large commercial vehicle fares

26. In the Draft Plan we said that it was our aim to develop an overarching policy for freight fares. We will do so at the earliest opportunity following the publication of the Ferries Plan.

27. The aim of this review of freight fares will be to deliver on a new fare structure that is simple and transparent, and importantly does not advantage one part of the network over any other part. Any future fares structure will also need to balance the wellbeing of communities against the public sector cost.

28. Our intention is to first consider the findings of the study on the Western Isles, Coll and Tiree economies. We will then set up a working group to take this forward and will consult with key stakeholders as we do this.

Small Commercial Vehicles

Commitment

Small commercial vehicles under 6 metres (current height and weight restrictions apply) will be eligible for RET fare rates

29. For the purpose of fares, small commercial vehicles up to six metres in length, will be treated as non-commercial vehicles and be eligible for RET fares. This policy is now in place on routes to the Western Isles, Coll and Tiree and to Colonsay, Islay and Gigha. This policy will be applied to all routes as RET is rolled out in line with our announcement in November 2011. This change will also ensure that the threshold criterion for a commercial vehicle is the same throughout the whole network, including the Northern Isles (where the six metre threshold has been in place for some time).

Other Issues

Future RET Formula

30. Our Draft Ferries Plan indicated that further work was required around the precise rates for RET. We have now carried out this work and have set an updated RET formula. This formula has been applied to the new pilot for Islay, Colonsay and Gigha and steps will now be taken to introduce this to the Western Isles, Coll and Tiree. The updated formula does not change the

position that fares will continue to be competitive with any discounts that would or might be available through any single journey equivalent of a multi journey ticket.

Annual Fares Review

31. We noted in the Draft Ferries Plan that RET fares would be reviewed each year, in line with the cost of travel. The recently updated formula will apply on RET routes until the end of winter 2013/14. Thereafter, an updated formula, in line with the cost of travel, will be applied at the beginning of each summer timetable period.

Summary of way forward

32. Our plans are summarised below:

- We will continue to meet our commitment to roll-out RET to other routes across the network;
- We will consider the outcome of the study on the Western Isles, Coll and Tiree and will take forward work to set an overarching freight fares policy;
- We will discuss the need for any demand management measures with the current operator; and
- We will carry out annual reviews of RET fares.

CHAPTER 5 – Who should be responsible for providing ferry services?

Introduction

1. In the Draft Ferries Plan it was noted that there is no single mechanism by which Scotland's broad network of ferry services are delivered. Some of these services are funded, tendered and managed by either the Scottish Government or Local Authorities. In addition, however, Scotland has a number of privately-run ferry services which carry passengers and freight all year round, operating entirely commercially. On a smaller scale, there are some ferry services which are seasonal and largely geared to the summer tourist trade.

2. What is clear is that existing ferry service provision is not necessarily best serving the island communities. We believe that there is a need to examine the existing situation and consider whether a more consistent approach might be taken to securing ferry service provision for the long term. A strong desire for greater consistency was evident in the responses we received to our earlier consultation on ferry services in 2010.

Scottish Government Involvement

3. The Draft Ferries Plan made clear that the Scottish Government is willing to take responsibility for any 'lifeline' ferry service. The Draft Ferries Plan makes clear what 'responsibility' will involve. This may be in circumstances where the current operator was unable to continue or where the operator otherwise considers it best if the Scottish Government assumes the responsibility. This could be the case with Local Authority, commercial or community-run ferry services. In the 12 months since the publication of the Draft Plan we have already made some progress in this area. Details of the progress we have made are set out below.

4. In considering any request to take over a ferry service, we will assess need on a case-by-case basis. We will take into account factors including: the lifeline nature of the route; the community served including its population; alternative routes; and historic carryings. Ultimately, however, it may not always be agreed that a transfer of responsibility goes ahead. In addition, the Scottish Government cannot guarantee to be in a position to provide any additional funding.

Kerrera

5. We have made clear that, for commercially run services, we will consider intervening where there is market failure and the service is considered to be lifeline. The commercially run service for Kerrera is considered to be lifeline and does not, at present, meet the needs of the community and is not sustainable either now or in a form that would meet the future needs of the community. We have therefore been working to plan a package of measures for the continued provision of ferry services on the island. Discussions are ongoing with Argyll and Bute Council regarding long-term investment in island

infrastructure which will have a bearing on future ferry provision. In the meantime, we are working with the Kerrera community and current ferry operators to provide short-term grant support for ferry operation and urgent improvements to infrastructure. We anticipate this support will continue for around 18 months to 2 years, until a longer term solution is found.

Jura

6. The Jura Ferry is another example of where the Scottish Government has responded to local needs. In March 2012, we announced short-term funding to support a community-operated summer only ferry service between Jura and the mainland (Craighouse – Tayvallich). The service is operated by the Jura Development Trust and the funding has been provided jointly by the Scottish Government and Argyll & Bute Council.

7. As noted in the Draft Ferries Plan our intention was for this support to cease once other changes to services which affect Jura had been implemented. As noted in Chapter 3 of this document, it is no longer our intention to increase the number of services from Port Askaig. Also, we have noted that offering zero fares on the Jura – Islay service will be subject to agreeing with Argyll & Bute Council that they will transfer responsibility for this route to Scottish Government. It is therefore our intention, until we have concluded our discussions with Argyll & Bute Council, to continue providing financial support for the Craighouse-Tayvallich service. We currently fund this service jointly with Argyll & Bute Council. Our continued funding is dependent on Argyll & Bute Council's continued funding.

Local Authority Ferry Services

8. In the Draft Ferries Plan there was discussion of the potential for some Local Authority operated 'lifeline' ferry services to transfer to the Scottish Government. Our willingness to take on this responsibility, where requested, remains. As described in the Draft Ferries Plan, if we are asked to take responsibility for Local Authority ferry services, we will require an adjustment to be made to the Scottish Government's local government block grant, to ensure that we are in receipt of the revenue required to run these ferry services in the future. We may also require a transfer of capital funding to address issues with ageing vessels, ports and harbours. We are engaging with local authorities on the terms under which responsibility for ferry services might transfer and the local authorities have been provided with a set of principles that will apply should they wish to go ahead. (Principles attached at Appendix 5).

9. Engagement with the relevant local authorities is underway. This is an important process for the local communities and we must ensure that these small island communities are treated in a way consistent with other communities for whom we already have responsibility for ferries provision. It is also important that they be treated consistently with each other. We will therefore be working with the local authorities involved to first identify the needs of the communities in a consistent way. For those local authorities who wish us to take on responsibility for their ferry services we will then consider the

financial requirements for us to do so. This whole process will take some time. It is our aim to conclude this exercise late 2013/early 2014 in order that any services which require to be included within the next tender for the Clyde and Hebrides Ferry Services can be further considered and specified as required.

10. We have provided details below of what progress has been made with each of the relevant local authorities.

Argyll and Bute Council

11. Argyll and Bute Council currently have responsibility for ferry services to Lismore, Luing, Easdale and Jura. In addition to these four services, we must also consider with Argyll and Bute Council who will be responsible for the long term provision of ferry services to Kerrera. All of these services are clearly 'lifeline'.

12. Argyll and Bute Council are at an early stage in the process, currently considering what data is held to evidence the type and level of need for ferry services in each community. We have offered to work closely with the Council throughout this process.

Shetland Islands Council

13. Shetland Islands Council have responsibility for all of their inter island ferries. These are all clearly 'lifeline' services. Services are provided to Yell, Unst, Fetlar, Whalsay, Bressay, Skerries and Papa Stour. The Council have indicated that they may be interested in transferring responsibility for their ferry services to the Scottish Government. The Council are still considering their position.

Orkney Islands Council/

14. Orkney Islands Council operate ferry services within their island groups and they too are clearly 'lifeline' services. Services are operated to the South Isles of Flotta, Hoy, Graemsay, Moaness, Rousay, Egilsay, Wyre, Shapinsay and the six outer North Isles of Westray, Papa Westray, North Ronaldsay, Sanday, Eday and Stronsay.

15. Significant progress has been made with Orkney Island's Council to consider the type and level of service that each community would need. We must make sure that this work is consistent with the work yet to be done with Shetland Islands Council and Argyll and Bute Council. The work achieved with Orkney Islands Council provides a good model for the work required with the other Councils.

16. We will bring to a conclusion our work on identifying the type and level of service required by each community and agree with the Council whether they wish to begin looking at levels of funding that would need to be transferred if responsibility was to transfer. We also want to consider with the Council the correct split of responsibility going forward and discuss with them the need to

transfer responsibility for their ports and harbours. These points are included in our 'Principles of Transferring Responsibility' paper provided at Appendix 5.

17. We are aware that the existing fleet of vessels serving Orkney's inter islands is ageing and in need of investment. As noted above our Draft Ferries Plan made clear that if the Scottish Government were to take on responsibility for particular routes it would be on the understanding that the appropriate amount of funding came back to the Scottish Government, via the local government block grant and that a transfer of capital funding may be required. Given Orkney Islands Council wish to consider a transfer of responsibility, this issue will be considered further as part of that work.

Way Forward

18. While the summaries above give an indication of engagement with these local authorities, clearly there is much work still to be done to define the service models required in each Local Authority area, as well as the funding transfers that will need to be put in place. As noted above our aim is to look to conclude this exercise late 2013/early 2014.

Procurement Skills

19. The Draft Ferries Plan noted that where the Scottish Government was not wholly responsible for the procurement of ferry services it might usefully have a role in promoting good ferry service procurement practice nationwide. In addition, we are always willing to provide support and advice to local authorities and others on the procurement of ferry services.

20. The Scottish Government is willing to provide advice on all aspects of public procurement. Anyone seeking advice should contact Ferries Unit in the first instance.

21. In addition the Scottish Government's website provides details of a 'Suppliers Journey' which will provide a useful source of guidance for anyone who is interested in tendering for a public contract.

22. The Scottish Government is set to bring forward a Procurement Reform Bill, scheduled to be introduced in the spring of 2013. The overarching aim is to establish a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering social and environmental benefits, supporting innovation and promoting public procurement processes and systems which are transparent, streamlined, standardised, proportionate, fair and business-friendly.

Ferry Regulator

23. Consideration has been given to the issues around establishing an independent Ferry Regulator. The issues was discussed in the 2010 Consultation document and while some views were expressed both in favour of and in opposition to the suggestion of establishing a Regulator, there was not a

strong body of opinion on this point. The Draft Ferries Plan outlined the existing regulatory framework in the maritime sector and the control mechanisms affecting Scotland's ferries and discussed whether any further layer of regulation – and legislation - was necessary. Limited support was expressed for a Ferry Regulator in consultation responses received.

24. On the latter issue, depending on precisely what range of powers an office holder of this kind may have, the establishment of a Ferry Regulator would likely require primary legislation in the Scottish Parliament and – under the current constitutional position - possibly also at Westminster.

25. We have examined the scope for introducing a statutory ferry regulator to monitor ferry services subsidised by both Scottish Government and by commercial operators. We have concluded that there are strong arguments against the establishment of any additional regulation of ferries. Put simply, it is unclear what a Scottish Ferry Regulator would do that cannot be achieved from current arrangements. At present, ferry services are regulated by existing means as described below:

- Statutory controls: the maritime sector is bound by international law and convention through a broad range of international, European and domestic laws. Domestically, for example, safety issues are already overseen by the Maritime Coastguard Agency (MCA) and environmental issues are regulated by SEPA.
- Contractual controls: all our subsidised ferry services are tightly regulated by means of the public service contracts which stipulate precisely how the services will operate (fares, timetabling, vessels, performance measures etc) thereby protecting the interests of ferry users.
- Policy Responsibility: this currently sits with Transport Scotland under Scottish Ministers or in the case of Local Authority controlled services, the relevant Local Authority. If an independent Ferry Regulator was to assume policy responsibility for these subsidised ferry services, the Regulator would then have power to direct and control services without being subject to any direct democratic accountability. Clearly this would be neither appropriate nor desirable.

26. Taking all of this into consideration, Scottish Ministers have therefore decided that there is no compelling case for the establishment of an independent Ferry Regulator and therefore this is not a proposal which will be taken forward at this time.

27. We recognise however that there is a great deal of interest in Ferries issues, mostly in the communities concerned but also further afield. There are also a range of views on how services could or should be provided and improved. We do not want this Ferries Plan to be the end of that process and are therefore keen to consider the best way for wider consultation on ferries issues to take place on an ongoing basis.

28. We are keen to involve key local expert interests in our arrangements for wider consultation. This will ensure that we have access to the widest possible expertise before key decisions are made. We will consider how best to take this forward, and issue further details on our plans to involve key local expert interests in the New Year.

Summary of way forward

29. Our plans are summarised below.

- We will continue to discuss with any operator, including local authorities, who wishes to consider transferring responsibility to the Scottish Government;
- We have made available our procurement guidance and will be happy to discuss any issues with those responsible for procurement;
- We will not at this stage seek to introduce a Ferries Regulator; and
- We will consider how best to include key transport professionals, academics and operators of ferry services as we deliver wider consultation mechanisms.

CHAPTER 6 – Accessibility

Introduction

1. The Scottish Government's commitment to equality and inclusiveness extends to our entire transport network, including our ferries. While, at present, there are some gaps in provision for passengers with disabilities, this chapter describes our work to ensure that Scotland's ferry services become more accessible to all passengers.

2. While we recognise that accessibility is a particular issue for those with a disability of any nature or those with a mobility problem, as defined under the Equality Act 2010, it is also a challenge for other groups such as passengers with small children and people travelling with luggage.

3. The Equality Act, including the public sector duty, consolidated previous legislation dealing with discrimination. Additional regulation will be provided for from 18 December 2012 when EU Regulation 1177/2010 comes into force. This covers the rights of passengers when travelling by sea and inland waterways and it will give disabled people and those with reduced mobility the same opportunities to travel by water as exists in the rail and aviation sectors across the EU.

4. We recognise the importance of ongoing consultation with appropriate disability groups. In Chapter 5 of this document we discuss plans to carry out further work to consider how best to deliver wider consultation mechanisms. In taking this work forward, we will consider how best to include representatives from bodies with an interest in ensuring accessibility is improved. Those being consulted with will also be responsible for monitoring the impact of any changes being introduced.

Implementing Accessibility Recommendations

5. To complement the relevant legislation and regulations the Scottish Government will use the procurement process to address accessibility issues on our ferries. Since the publication of the Draft Ferries Plan in December 2011 the Scottish Government has engaged in a major ferries procurement exercise. This was for our subsidised ferry services to the Northern Isles. The competition documents set out what was expected of the new operator in how they consider those passengers with accessibility issues.

6. Now that a new contract is in place, the Northern Isles operator, Serco NorthLink is required to take into account the needs of disabled people when providing information, timetable and booking reservation systems. They must allow time for intermodal transfers where timetable variations are being proposed and must also take account of the guidance on travel issued by key bodies. The contract includes a detailed Accessibility Plan setting out the operator's responsibilities in terms of: staff training; information dissemination; and proposals around vessel and port facilities. It also sets out how the operator will take account of passengers with accessibility difficulties when

there is disruption to facilities or services. In addition, an Accessibility Transport Group is to be established providing a forum for those with accessibility needs.

7. Serco NorthLink's detailed Accessibility Proposal can be found at Schedule 3 (page 38) of their contract which is available through the following link to the [Transport Scotland website](#).

8. Our next major ferry procurement – for the Clyde and Hebrides services – is due to begin in 2014. We will build on what has been achieved in the Northern Isles contract and seek to ensure improved provision for those with particular accessibility needs. Accessibility issues have been taken fully into consideration when designing the new Stornoway-Ullapool vessel. CMAL have also met with disability group representatives to discuss the design and their requirements and this dialogue will continue throughout the build. All public areas will be accessible.

Accessibility Improvement Fund

9. We said in our Draft Ferries Plan that we intended to set up an Accessibility Improvement Fund and would provide further details of how this would be resourced and managed in the Final Ferries Plan.

10. We have asked Caledonian Maritime Assets Ltd (CMAL) to set up and administer the Fund on our behalf. This will ensure that the Fund is administered competently, transparently and in line with Government finance rules. The Fund will be a ring fenced and will not be used by CMAL for any other purpose.

11. However, we want decisions on how the money is spent to be taken by a wider group that is able to consider proposals from operators of vessels and harbours and make decisions on priorities, taking into account availability of funds. We therefore propose to set up a Fund Management Group drawn from experts in their field, including representatives of the Mobility Access Committee for Scotland.

12. We believe that ferry and port operators should meet the regulatory standards set for accessibility. But, as we said in the Draft Ferries Plan, we want operators to go further and the Fund will be there to support that. The Fund will, therefore, only normally be used for activities that go beyond regulatory requirements. Supported activities could include for example:

- training in disability awareness and providing customer service to people with reduced mobility;
- improvements to communications and signage including provision of Visual Display Units for people with impaired hearing, information/wayfinding schemes for people with visual impairments, induction loops at service counters
- retrofitting or adaptation of existing ships and port facilities to improve the ease and safety of embarkation and disembarkation for people with

reduced mobility. This could include the installation or improvement of ramps, elevators and lifts

- retrofitting or adaptation of existing ships and port facilities to improve the ease of movement of people with reduced mobility around the vessel or port such as the installation or improvement of handrails, adaptation of corridors, passageways, doors, lounge accommodation and washrooms,
- provision of assistance telephones (or other forms of assistance) at unmanned ports and slipways;
- facilities for assistance dogs at terminal buildings and on ships
- provision of left luggage facilities on board and on-shore.

13. Many of these improvements will be of benefit to all users not only those with reduced mobility. They will also enable ferry and port operators to provide a better quality of service which can be expected to generate commercial returns. It is therefore appropriate for contributions from the Fund to be matched by contributions from the operator; the expectation is that contribution from the Fund will not exceed 50% of total costs although the Management Group will have discretion to go further in certain cases for example if a small operator with limited resources has a proposal with significant benefits.

14. The Fund will be supported by grant from the Scottish Government. The exact sum will be set as part of the annual Scottish Government Budget there is no provision in the 2013-14 Budget so the aim is to have the Fund up and running by April 2014. The Fund will be open to contributions from others including operators. The Management Group and the Fund administrator (CMAL) will also be encouraged to seek other contributions for the Fund; applicants will also be encouraged to seek other funding partners for particular projects.

15. The operation of the Fund will be reviewed after 2 years. Once the process of funding projects is established we can look again at the arrangements for the management and administration of the Fund. For example, it may be appropriate to consider setting up a charitable Trust to govern and administer the Fund.

Accessibility Information System

16. In 2010, at the same time as we published the Scottish Ferries consultation document, CMAL published an Accessibility report setting the legislation and guidance in place at that time for vessels, ports and harbours. This is available on the [Ferries Review webpage](#). The report also recommended the introduction of an 'Information System' to indicate the degree of accessibility for each harbour, ferry or route. The Northern Isles operator, Serco NorthLink, are to put an Accessibility Information System in place.

17. Transport Scotland will specify in future ferry tenders for publicly-funded services that operators must put in place a system that improves the level of accessibility information. This information must be presented in a consistent and an easily accessible format. We have written to all ferry operators and

harbour authorities to encourage them to put in place a similar system to that used by publicly-funded ferry services. Equally, we will seek to ensure, that all local authorities, independent trust ports and private owners of vessels and ports and harbour facilities are aware of their obligations with regard to passenger accessibility.

Summary of Way Forward

18. Our plans are summarised below:

- We will build on what has been achieved in the Northern Isles tender when tendering the next CHFS contract;
- We will continue to put plans in place for an Accessibility Improvement Fund and will arrange to review the operation of the fund after 2 years; and
- We will specify in future ferry tenders for subsidised ferry services that operators must put in place an Accessibility Information System.

Chapter 7: Environmental issues

1. The Draft Ferries Plan set out the Scottish Government's proposals for the provision and support of Scotland's ferry services, including decisions regarding funding and procurement, fares, responsibility for the provision of ferry services, and accessibility. The Draft Ferries Plan also set out proposals for the provision of routes and services.

2. A high-level Strategic Environmental Assessment (SEA) was undertaken of the Draft Ferries Plan, in accordance with the requirements of the Environmental Assessment (Scotland) Act 2005. The results of the assessment were set out in the Environmental Report, which was published for consultation alongside the Draft Ferries Plan¹².

Scope of the assessment

3. The funding and procurement of services, and responsibility for their provision, were considered to be the kinds of strategic action that would result in no or minimal environmental effects. The same applied to issues of accessibility. The SEA therefore focused on the potential environmental effects of changes to fares, provision of new vessels and proposals for new and/or changed routes and services.

Results of the assessment

4. No route-specific environmental problems were identified from the operation of the ferry services covered by the Draft Ferries Plan.

5. The proposal to commit to a roll-out of Road Equivalent Tariffs (RET) across the network as the basis for single fares for passengers and cars was assessed at a very high level. The results of the RET pilot show a substantial increase in patronage, with an increase of 30 per cent in car traffic in the first year of the pilot. It is therefore anticipated that the roll-out of RET across the network is likely to result in increased atmospheric emissions, including emissions of greenhouse gases.

6. The proposals for routes and services, including provision of new vessels, were analysed for their potential environmental effects. There was uncertainty around several of these potential effects, specifically the increased risk of collisions between ferries and cetaceans¹³ the potential for spread of non-native invasive species; and the potential risk of coastal and seabed erosion resulting from increased vessel numbers. These issues have been investigated further and no significant effects from the increase in vessel numbers and service levels are anticipated. Further details of this work are provided in the SEA post-adoption statement, which includes proposals for monitoring.

¹² The Environmental Report is available at <http://www.transportscotland.gov.uk/strategy-and-research/publications-and-consultations/j210731-00.htm>

¹³ Whales, dolphins and porpoises are collectively known as cetaceans.

7. The key issue identified was the potential for an increase in the emission of greenhouse gases, resulting from:

- an increase in car traffic volumes taking advantage of the roll-out of RET across the network; and
- increased vessel traffic, due to increases in both vessel movements on existing routes and the number of vessels.

8. Consultees also identified the potential for increased greenhouse gas emissions from an increase in the length of some vehicle journeys, e.g. to take advantage of new routes (e.g. Campbeltown to Ardrossan, via Arran) or to divert to different ports if some routes were to be changed in the long-term (the latter outcome is uncertain and depends on the results of pilot schemes and subsequent reviews).

9. The Environmental Report explored options for the mitigation of emissions resulting from the roll-out of RET, and concluded that the most meaningful way to achieve this would be to encourage the improved integration of ferry timetables with those for public transport (i.e. bus and rail). This was encouraged through the Northern Isles tender and will be encouraged in the next CHFS tender. This would also apply to increases in vehicle journeys undertaken by cars.

10. The Scottish Government has identified two key approaches to achieving reductions in greenhouse gas emissions from ferry movements: technological measures; and fleet management¹⁴. The Environmental Report noted that the consultation undertaken as part of the Scottish Ferries Review sought views on how emissions from ferries could be reduced, and in particular sought views from operators and passengers as to whether they would support reductions in vessel speeds as a means of reducing emissions. Comments were also invited as part of the consultation on the Draft Ferries Plan.

11. A range of suggestions was offered, in both consultations, on how to reduce emissions from the operation of the ferry network. Consultees supported the move towards more fuel-efficient vessels and the incorporation of new technology measures, but service changes were also mentioned. They also supported the integration of all public transport. In general, there was little support for reductions in vessel speeds.

12. The Scottish Government does not propose to impose emission reductions through the operation of vessels, e.g. reducing vessel speed. Instead the Government will employ both short-term and long-term measures to achieve emission reductions. Recent short-term actions have focused on improving fuel consumption through drag-reducing paint and the provision of new, more efficient propellers. In the long term, the Government is working with operators and the port sector, particularly those receiving public support, to build on their current activities relating to the environmental impact of maritime

¹⁴ Low Carbon Scotland: Meeting the Emissions Reduction Targets 2010-2022: The Report on Proposals and Policies

transport. This includes emissions reduction from improved vessel design, hybrid diesel-electric engines and use of other alternative fuels, and improved fleet management. Improvements to the efficiency of the subsidised fleet as a whole are dependent upon the pace of vessel replacement. The Government is also considering the scope for more efficient powering of vessels in port through connection to shore-side power sources.

Glossary of Terms

Bundle

2 ferry routes or more

CalMac

CalMac Ferries Ltd is the major operator of passenger and vehicle ferries and ferry services serving the west coast of Scotland and the Clyde estuary.

CHFS

Clyde and Hebrides Ferry Services

CMAL (Caledonian Maritime Assets Limited)

CMAL owns ferries, ports and infrastructure for ferry services serving the west coast of Scotland and the Clyde estuary. CMAL are wholly owned by the Scottish Government with Scottish Ministers the sole shareholders

Contract

A legally binding agreement between parties which sets out the requirement and the terms under which the agreement will be delivered.

DfT (Department for Transport)

The DfT works with agencies and partners to support the transport network that helps the UK's businesses and gets people and goods travelling around the country.

EQIA (Equalities Impact Assessment)

To look at effects of ferry services on Age, Disability, Gender, Lesbian, Gay, Bisexual & Transgender (LGB&T), Race, Religion & Belief.

Harbour dues

Charges in respect of any ship for entering, using or leaving the harbour including charges for any passengers or cars embarking or disembarking at the harbour. This also includes charges in respect of goods brought into, taken out of, or carried through the harbour by the ship.

Lifeline

A lifeline ferry service is required in order for a community to be viable.

MCA (Maritime and Coastguard Agency)

MCA is an executive agency of the Department for Transport, working to prevent the loss of lives at sea and is responsible for implementing UK and International maritime conventions and codes.

Maritime

(Transport/Nautical Terms) of or relating to navigation, shipping, seafaring etc.

Procurement

Procurement is the whole process of acquisition from third parties and covers goods, services and construction projects. It applies to all public sector procurements - goods, services, (including consultancies and research), construction and works regardless of the source of funding.

RET (Road Equivalent Tariff)

RET scheme involves setting ferry fares on the basis of the cost of travelling an equivalent distance by road.

SEA (Strategic Environmental Assessment)

The Environmental Assessment (Scotland) Act 2005 applies to all Scottish Government plans, programmes, strategies and policies. Government's statutory duties under the 2005 Act. Those strategies, plans and programmes that are likely to result in significant effects, in relation to the environment, must be assessed under SEA before the engagement strategy or consultation exercise commences.

SEPA (Scottish Environment Protection Agency)

SEPA is Scotland's environment regulator, to protect and improve the environment by regulating activities that can cause pollution and monitor the quality of Scotland's air, land and water.

SERCO

Serco won the contract to provide subsidised ferry services from mainland Scotland to the Northern Isles of Orkney and Shetland.

SPT (Strathclyde Partnership for Transport)**Tender**

The process by which goods and services are secured.

Trust ports

Trust ports are independent statutory bodies, each governed by its own unique, local legislation and controlled by an independent board. Their common feature is their unique status as trusts. There are no shareholders or owners. Any surplus is ploughed back into the port for the benefit of the stakeholders of the trust. The stakeholders are all those using the port, employees of both port and its users and all those individuals, organisations and groups having an interest in the operation of the port.

Appendix 1: Investment Plan Routes and Services Proposals

Proposal	Estimated Timing	Estimated Funding
<p>All short-term measures:</p> <ul style="list-style-type: none"> ▪ Second vessel on Ardrossan-Brodick during more of summer ▪ New summer only pilot on Campbeltown-Ayrshire, via Arran ▪ Deploying MV Isle of Arran during winter on Coll/Tiree/Barra/South Uist ▪ Additional sailings on Cumbrae route ▪ Significantly improved service to Small Isles ▪ Extend operating day on Colintrave-Rhubodach ▪ Introduce a Saturday service from Colonsay, via Islay to Kennacraig 	2013 onwards	£4.3 m
<p>Medium-term proposals:</p> <ul style="list-style-type: none"> ▪ Purchase passenger only vessel ▪ Increased passenger + ro-ro service for Small Isles ▪ increase in level of service for Colonsay during summer and winter ▪ Additional winter sailings on Oban-Craignure ▪ Zero fares on Jura service¹⁵ 	Interim CHFS contract	£2.5 m (capital) £1 m (Revenue)
<p>Long-term proposals:</p> <ul style="list-style-type: none"> ▪ Purchase additional passenger and vehicle vessel ▪ Additional sailings on Oban-Craignure – all year ▪ Continuation of improved winter service on Oban/Coll/Tiree and Barra/South Uist ▪ Provision of augmented winter service on Ardrossan-Brodick ▪ Subject to pilot – provision of winter Campbeltown – Ayrshire service 	Main CHFS contract	£20 m* (Capital) £4-5 m**

*Subject to final decisions on the second vessel to be made available

**subject to decisions on the need for Augmented service for Ardrossan-Brodick and the extension of the pilot Campbeltown service during the winter.

¹⁵ Subject to Scottish Government taking on responsibility for this service.

Vessel Replacement Programme

Proposal	Estimated Timing	Estimated Funding
Short-term <ul style="list-style-type: none"> ▪ Purchase 2 Hybrid Vessels ▪ Secure new Stornoway-Ullapool vessel 	Current	£63 m
Medium-term <ul style="list-style-type: none"> ▪ Replace MV Isle of Cumbrae ▪ Replace MV Hebridean Isles 	To 2016	£45 m
Long-term <ul style="list-style-type: none"> ▪ Replace MV Isle of Arran ▪ Replace MV Loch Linnhe ▪ Replace MV Loch Riddon ▪ Replace Isle of Mull 	To 2019	£90 m
<ul style="list-style-type: none"> ▪ Replace MV Lord of the Isles ▪ Replace MV Loch Fyne ▪ Replace MV Loch Dunvegan ▪ Replace MV Caledonian Isles ▪ Replace Loch Tarbert ▪ Replace MV Loch Buie 	To 2025	£97 m

Note: In addition 2 further vessels are identified under Routes and Services proposals.

Ports & Harbour Works

Proposal	Estimated Timing	Estimated Funding
Medium-term <ul style="list-style-type: none">▪ Upgrade of Stornoway & Ullapool harbours▪ Upgrade Brodick Pier▪ Oban Harbour project▪ Lochboisdale Pier and Terminal▪ Armadale – approach structure▪ Lochaline – alignment works	To 2016	£44 m
Long-term <ul style="list-style-type: none">▪ Wemyss Bay – harbour works▪ Tarbert (Harris) – Pier Head upgrade	To 2020	£16 m
<ul style="list-style-type: none">▪ Gourock – Harbour works	To 2025	£13 m

Appendix 2: Overview of Proposals

Package one – Short-term

Action	Summary of proposed service level	Meets Needs Based Assessment?
2 vessel service for Arran (Ardrossan – Brodick) in summer (May-September)	increase from 5 to 7 sailings per day (4 to 8 on a Sunday) + some specific additional sailings	Yes – summer only. DFP did not state need was different for summer/winter.
Introduce summer only (May-September) pilot between Campbeltown and Ayrshire, via Arran	3 return sailings per week – day trip, overnight and weekend stay.	Yes – NBA indicated the need for substantial journey time savings
Improved services in winter for Oban/Coll/Tiree	An additional sailing day – from 4-5.	Partial – offers an improved winter service but not to level (6) set out in DFP>
Improved service in winter for Oban/Barra/S. Uist	An additional sailing day – from 3 (4) to 5.	Yes – offers an improved winter service to level detailed in DFP.
Improved services for Small Isles	A new Sunday service to each island, 2 sailings a day instead of 1 on some days, 1 day per week possible to make a meaningful return trip to mainland	Yes – but not in full
Later evening sailing one day per week on Cumrae	Retain later sailing on a Friday night and introduce one other later evening sailing	Partial but response to consultation suggests response is adequate.
As a temporary step, introduce summer service on Saturday from Colonsay, via Islay to Kennacraig	Will provide one additional sailing to mainland during the summer months for Colonsay residents.	Yes, - but not in full
Extend the operating day on Colintraive-Rhubodach service	Will provide later evening sailings.	Yes – but not in full

Package two – Interim CHFS

2 vessels for Small Isles (pax only and freight only) <u>*Dependent on purchase of new vessel</u>	Increased (greater than package 1) passenger service using new RIB and less frequent freight service – to be agreed with the community	Yes – fully +
Provide a dedicated vessel for Colonsay	Increased sailing days from 4 to 6 in the winter and from 6 to 7 in the summer.	Yes
Provide a dedicated vessel for Mull – currently vessel provides relief to other route during the winter.	Increased level of frequency during the winter:	Yes – winter only
Offer zero fares for Jura when part of onward journey to mainland	Subject to transfer of responsibility from A&B Council to SG	Yes

Package 3 – Next Tendered CHFS

Provide a second vessel for Mull during summer <u>*Dependent on purchase of new vessel or re-deployment of Isle of Lewis</u>	Increased level of frequency during the summer months – from 6 to 12, early departure from Mull on most days, later evening sailings each day.	Yes – fully at this stage (summer and winter)
Continue to provide additional vessel on Oban/Coll/Tiree during winter – replacing the Isle of Arran when she is full time on Clyde	Allows for the improved winter timetable delivered under package 1 to continue – from 4 to 5.	Partial – allows for continued improved winter service. Although DFP talks about increase to 6.
Continue to provide an additional vessel on Oban/Barra/S.Uist during winter – to replace the Isle of Arran when she is full time on Clyde	Allows for the improved winter timetable delivered under package 1 to continue – from 4 to 5.	Yes – allows for continued improved winter service
Provide vessel (Isle of Arran) on the Ardrossan-Brodick and Campbeltown routes during the winter.	Allows for augmented service on Ardrossan-Brodick during the winter and also on	Yes – fully but need to establish the correct level of frequency required.

	Campbeltown-Ayrshire route subject to pilot.	
--	--	--

Package 4 – 2018 and beyond

Upgrade berthing facilities at Iona and Gigha	Allows for longer operating day of around 1 hour.	Partial
Consideration of single service for Lismore .	TBC	N/A

Responsibility

- Scottish Government Routes
- Local Authority Routes
- Private Routes
- Other Subsidy Routes

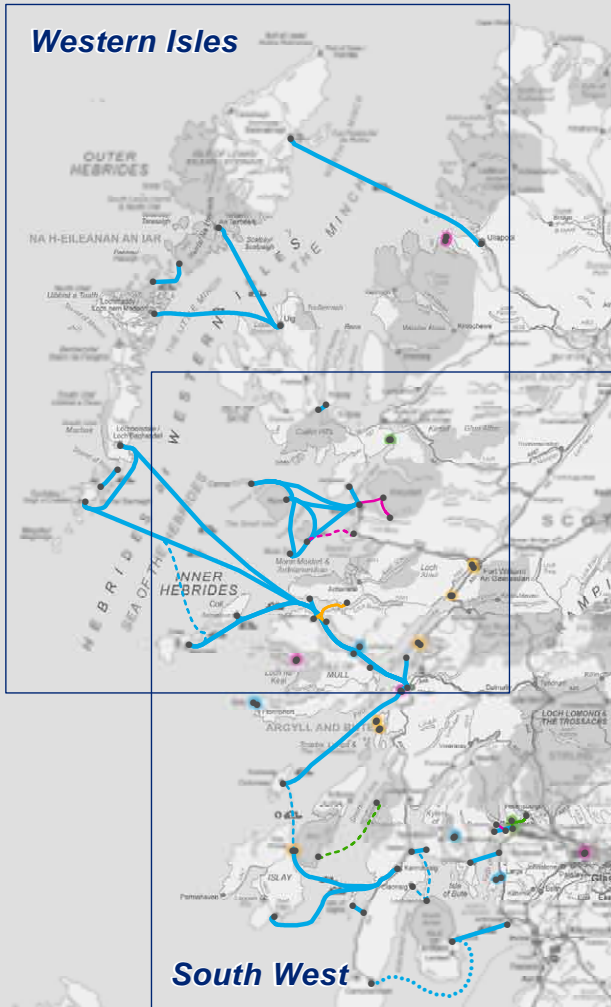
Note:
A dashed line denotes a seasonal route, a dotted line denotes a proposed (not yet active) route.

- - - - - Seasonal Route
- Proposed Route

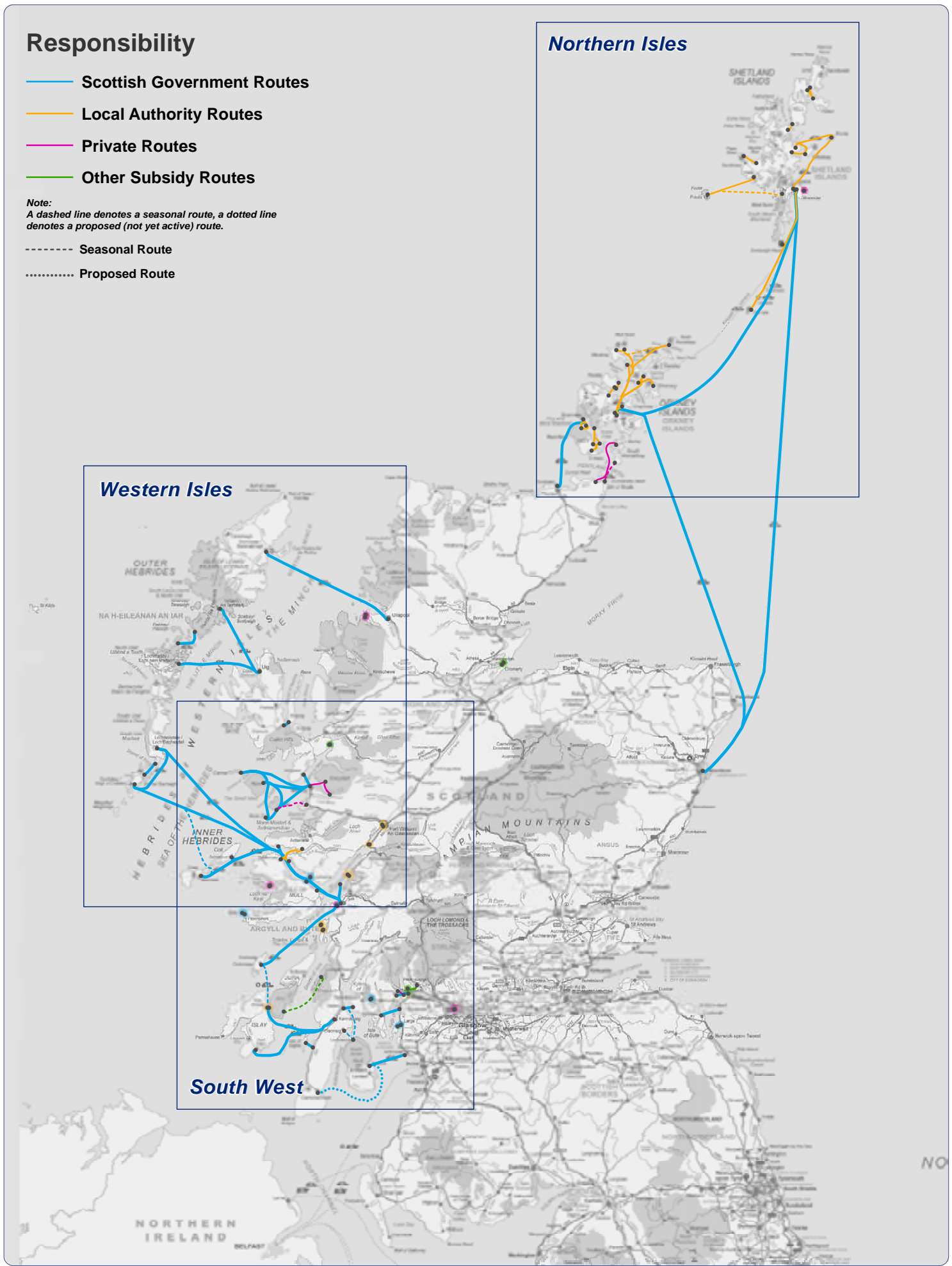
Northern Isles



Western Isles



South West



Scottish Ferry Routes

National Overview

Background mapping reproduced by permission of Ordnance Survey on behalf of HMSO. Ordnance Survey Licence number 100024653. © Crown copyright and database right 2012. All rights reserved.

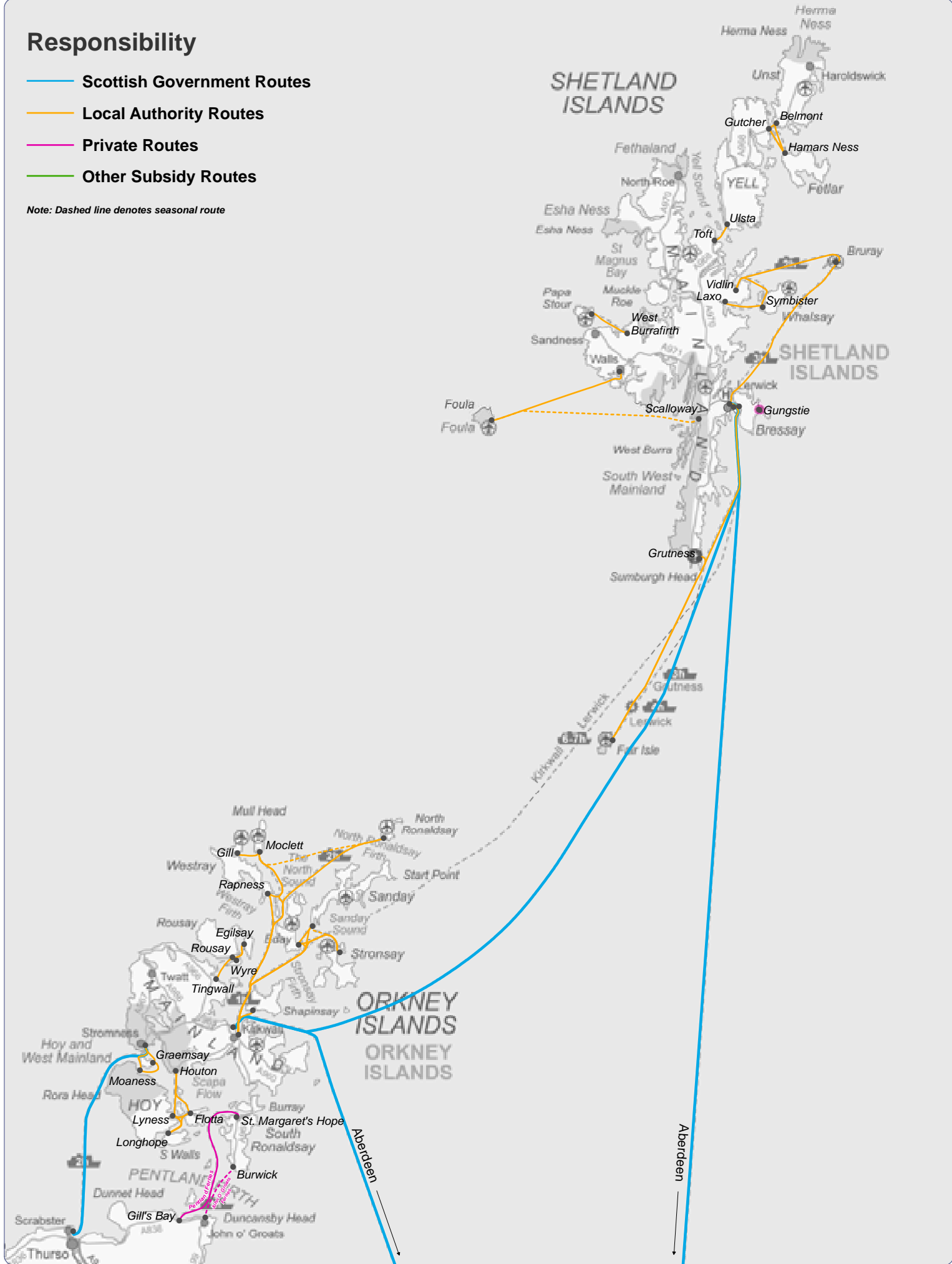
Scottish Government GI Science & Analysis Team
December 2012, Job 5349 - KT



Responsibility

- Scottish Government Routes
- Local Authority Routes
- Private Routes
- Other Subsidy Routes

Note: Dashed line denotes seasonal route

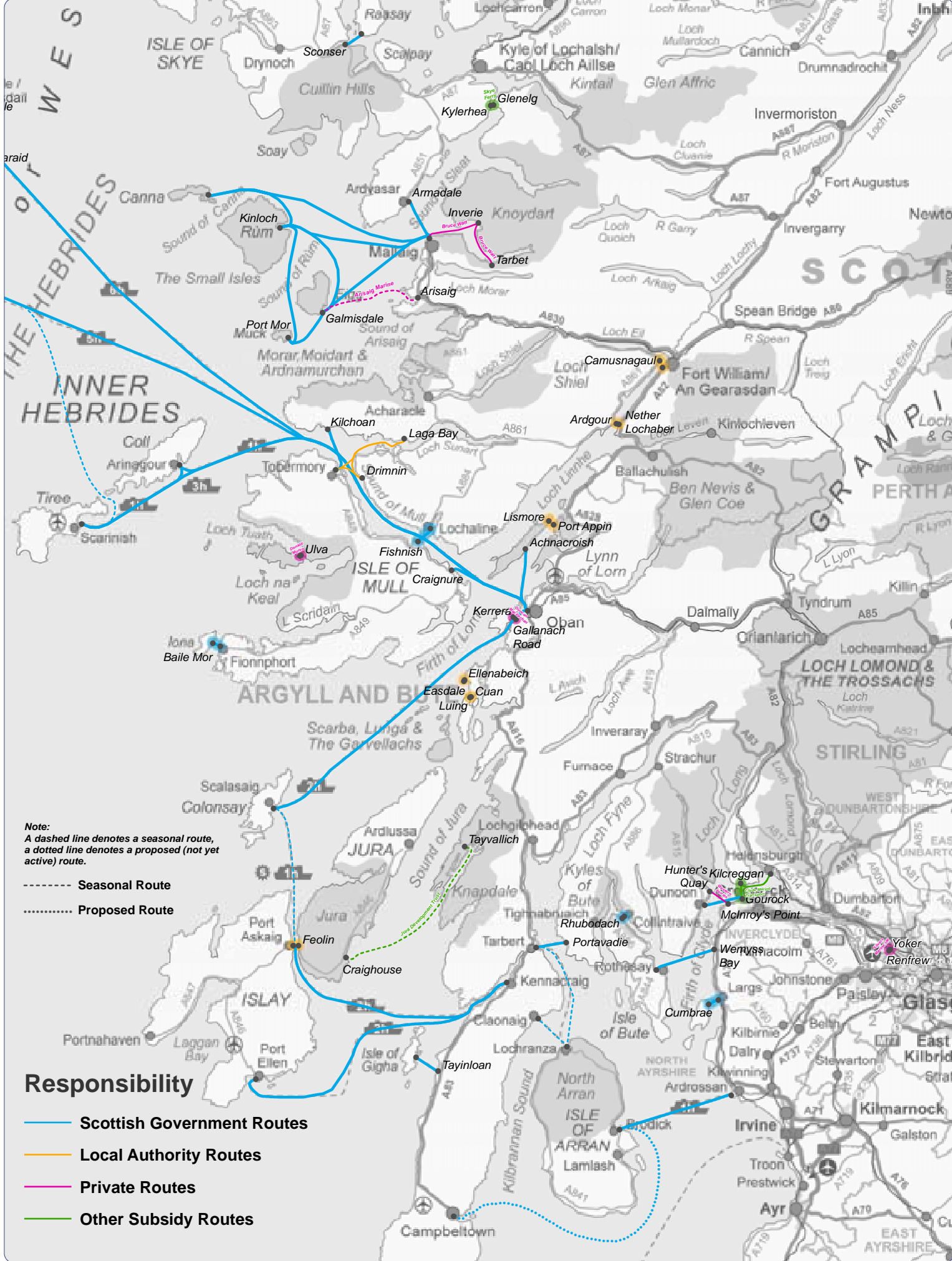


Scottish Ferry Routes Orkney & Shetland Isles

Background mapping reproduced by permission of Ordnance Survey on behalf of HMSO. Ordnance Survey Licence number 100024655. © Crown copyright and database right 2012. All rights reserved.

Scottish Government GI Science & Analysis Team
November 2012, Job 5349 - KT





Scottish Ferry Routes

South Western Scotland

Background mapping reproduced by permission of Ordnance Survey on behalf of HMSO. Ordnance Survey Licence number 100024655. © Crown copyright and database right 2012. All rights reserved.

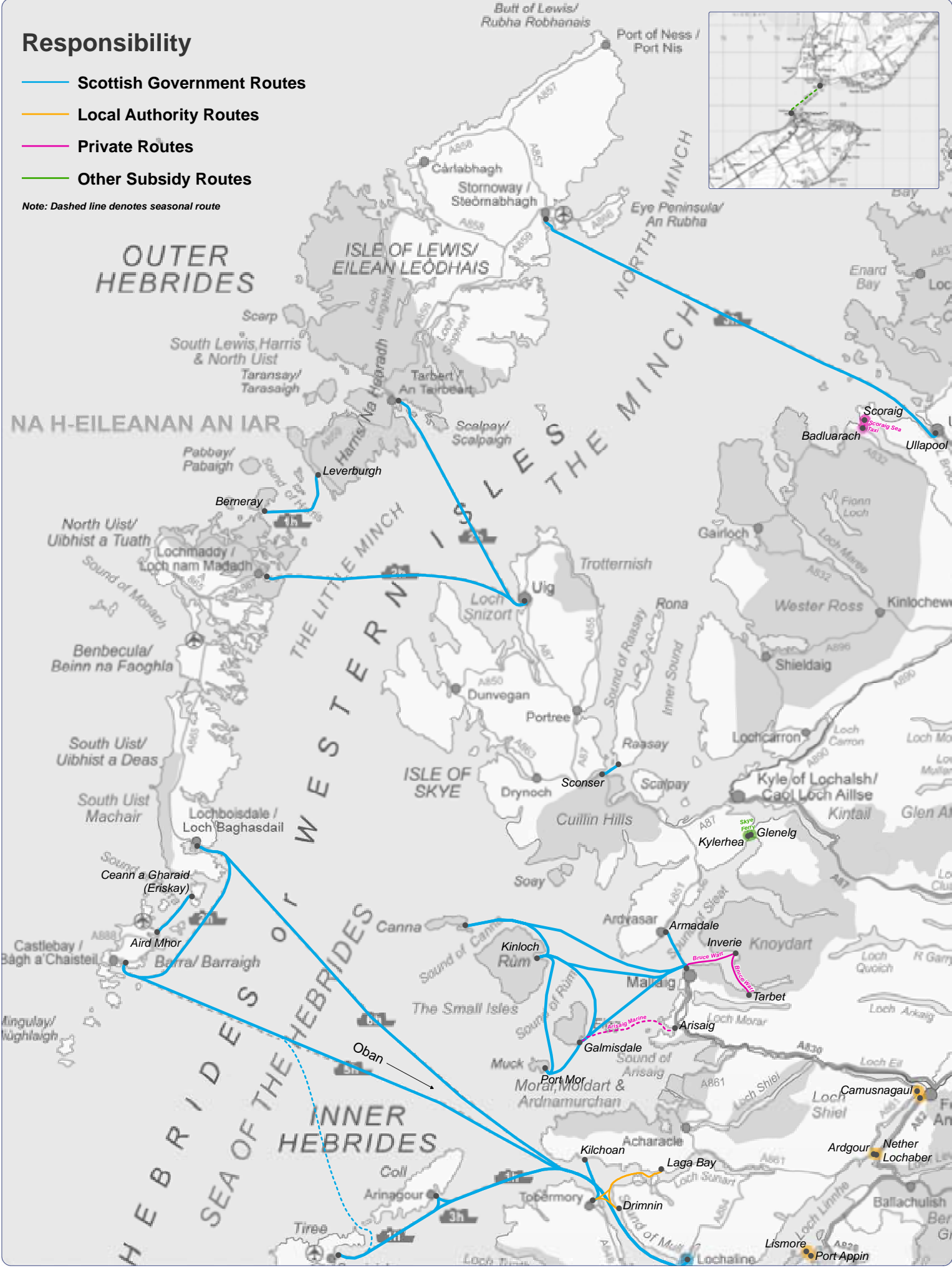
Scottish Government GI Science & Analysis Team
 December 2012, Job 5349 - KT



Responsibility

- Scottish Government Routes
- Local Authority Routes
- Private Routes
- Other Subsidy Routes

Note: Dashed line denotes seasonal route



Scottish Ferry Routes Western Isles

Background mapping reproduced by permission of Ordnance Survey on behalf of HMSO. Ordnance Survey Licence number 100024655. © Crown copyright and database right 2012. All rights reserved.

Scottish Government GI Science & Analysis Team
November 2012, Job 5349 - KT



Appendix 4: Table detailing RET status and future responsibility

Ferry routes in Scotland

Ferry route	Road Equivalent Tariff (RET) Status	Current Responsibility
Ullapool– Stornoway	Permanent	Scottish Government
Uig– Tarbert /Lochmaddy	Permanent	Scottish Government
Berneray – Leverburgh (Sound of Harris Service)	Roll out RET within the term of this Parliament	Scottish Government
Aird Mhor – Eriskay (Sound of Barra Service)	Roll out RET within the term of this Parliament	Scottish Government
Oban - Castlebay/Lochboisdale	Permanent	Scottish Government
Oban - Castlebay/Lochboisdale via Coll/Tiree (Summer only)	Permanent	Scottish Government
Oban – Coll/Tiree	Permanent	Scottish Government
Oban – Craignure	Roll out RET within the term of this Parliament	Scottish Government
Oban – Colonsay	Roll out RET October 2012	Scottish Government
Oban – Lismore	Roll out RET within the term of this Parliament	Scottish Government
Oban – Colonsay – Port Askaig – Kennacraig (Summer only)	Roll out RET October 2012	Scottish Government
Kennacraig – Port Ellen/Port Askaig	Roll out RET October 2012	Scottish Government
Tayinloan – Gigha	Roll out RET October 2012	Scottish Government
Ardrossan – Brodick	Roll out RET Oct 2014.	Scottish Government
Claonaig – Lochranza (summer only) (<i>Secondary route</i>)	Roll out RET Oct 2014.	Scottish Government
Largs – Cumbrae Slip	Roll out RET within the term of this Parliament	Scottish Government

Ferry route	Road Equivalent Tariff (RET) Status	Current Responsibility
Wemyss Bay – Rothesay	Roll out RET within the term of this Parliament	Scottish Government
Tarbert (LF) – Portavadie	*	Scottish Government
Colintraive – Rhubodach (<i>Secondary route</i>)	Roll out RET within the term of this Parliament	Scottish Government
Fionnphort – Iona	Roll out RET within the term of this Parliament	Scottish Government
Tobermory – Kilchoan (<i>Secondary route</i>)	Roll out RET within the term of this Parliament	Scottish Government
Fishnish – Lochaline (<i>Secondary route</i>)	Roll out RET within the term of this Parliament	Scottish Government
Mallaig – Armadale	Roll out RET within the term of this Parliament	Scottish Government
Mallaig – Small Isles (Eigg- Muck – Rum – Canna)	Roll out RET within the term of this Parliament	Scottish Government
Sconser (Skye) – Raasay	Roll out RET within the term of this Parliament	Scottish Government
Aberdeen – Kirkwall – Lerwick	Post Parliamentary term	Scottish Government
Scrabster – Stromness	Post Parliamentary term	Scottish Government
Gourock – Dunoon	*	Scottish Government
Isle of Seil – Isle of Luing	Subject to responsibility	Argyll & Bute Council
Ellanabeich (Isle of Seil) – Isle of Easdale	Subject to responsibility	Argyll & Bute Council
Port Appin – Lismore	Subject to responsibility	Argyll & Bute Council
Islay – Jura (Port Askaig – Feolin)	Subject to responsibility	Argyll & Bute Council
Camusnagaul – Fort William	*	Highland Council

Ferry route	Road Equivalent Tariff (RET) Status	Current Responsibility
(Secondary route)		
Nether Lochaber – Ardgour (The Corran Ferry)	*	Highland Council
Mallaig – Loch Nevis (Inverie – Tarbet)	*	Bruce Watt Cruises / Highland Council
Shetland mainland to Shetland's outlying islands	*	Shetland Isles Council
Orkney mainland to Orkney's outlying islands	*	Orkney Isles Council
Gourock – Kilcreggan – Helensburgh	*	SPT
Glenelg – Kylerhea Open Easter - October	*	Community Interest Company
Gallanach – Isle of Kerrera (Kerrera Ferry)	*	Privately operated
Isle of Ulva Ferry (Mull – Ulva)	*	Privately operated
Hunters Quay – McInroy's Point	*	Privately operated
Gills Bay – St Margaret's Hope (Pentland Firth)	*	Privately operated
John O' Groats – Burwick (Pentland Firth) - Summer only	*	Privately operated
Tayvallich – Craighouse (Jura) – Summer only	*	Community Interest Company
Scoraig – Badluarach	*	Privately operated
Cromarty – Nigg Summer only	*	Privately operated

* We intend to roll out RET to all lifeline ferry services. Where we are not responsible for the delivery of these services we will discuss the appropriate form and timing of any roll out with those who are, e.g. local authorities or commercial operators.

Appendix 5: Principles for Transferring Responsibility

Introduction

19. The Draft Ferries Plan published on 21 December 2011, for a fourteen week period of consultation included the following commitments:

“The Scottish Government is willing to be responsible for all ‘lifeline’ ferry services in Scotland.” And,

“The Scottish Government is also willing to work with the relevant Local Authorities to discuss the possibility of the Scottish Government taking over responsibility for services currently provided by them.”

20. This paper sets out the principles the Scottish Government will take into account when considering such a transfer of responsibility.

PRINCIPLES

- The Scottish Government will only become involved if the Local Authority wishes us to do so;
- The Scottish Government will have to be satisfied that the routes in question are in fact ‘lifeline’ services;
- The Local Authority wishing to transfer responsibility for a lifeline ferry service to the Scottish Government must also be prepared (where necessary) to transfer ownership of the ports and harbour infrastructure used.
- The Scottish Government will need to be satisfied that the Routes and Services Methodology (RSM) has been applied to the routes in question. Where the Scottish Government have not already carried out the RSM on the route, they will be prepared to work with the LA to achieve this. It will however be for the LA to ensure that robust data is made available for this purpose;
- Linked to the previous principle, the Scottish Government will only fund services at a level considered necessary after applying the RSM. Any over provision in services would need to be addressed by the Local Authority ahead of a transfer or else continue to be funded by the Local Authority afterwards;
- Agreement will have to be reached about the levels of capital and revenue funding to be transferred to Scottish Government. In terms of capital funding, consideration of the current age and condition of the vessel(s) and harbours/piers will be required, and agreement reached on the correct level of funding to be transferred. Revenue funding to be transferred will represent the ‘true’ cost of providing the service. In other words, funding to be transferred will include funding for the particular ferry service(s) made available by the Scottish Government, via the local government block grant, and the additional contribution made by the Local Authority itself.;

- Agreement must be reached about the correct split of responsibility. The Scottish Government is keen to discuss shared responsibility. Where the Local Authority retains a level of responsibility for defining services, the Scottish Government will be looking for them to also retain a degree of funding responsibility;
- Decisions on the way forward for RET on these routes has still to be taken, a transfer of responsibility does not alter this position – in other words transferring a service will not automatically mean that the Scottish Government will implement RET fares.

Transport Scotland

Appendix 6: Procurement Statement

PROCUREMENT STATEMENT

Effective public procurement has a key role to play in developing sustainable economic growth. Procurement of ferry services can be used to promote jobs and growth for Scotland's remote and island communities and be inclusive of Small and Medium Enterprises (SMEs) and third sector organisations. This statement sets out how we will do that.

We will ensure that our ferry services procurements are carried out in an effective, transparent and proportionate manner. To this end we will consider the most appropriate procurement route¹⁶ and on each occasion decide on that which is best suited to the scale and complexity of the particular exercise. Regardless of the procurement route, we will ensure that effective stakeholder engagement takes place so that – while respecting the statutory limits and the need to protect commercial confidentiality – those communities who have an interest in the ferry services are kept informed of the process throughout.

In future procurements for our subsidised ferry services, our approach will emphasise the need to deliver sustainability and value for money. In addition, public service contractors will be encouraged to pursue innovation and growth as they carry out these services, benefitting the people and the economies of the communities they serve. Although Scottish Ministers are already fully responsible for our ferry services, an independent Scotland will ensure that the unique nature of our ferry services is fully considered in reaching decisions about how we tender.

Having examined the evidence, Scottish Ministers have decided that there is no compelling case to unbundle the Clyde & Hebrides (CHFS) routes in the tender exercise due to begin in 2014. However, in preparing for this procurement exercise we will investigate ways that bidders can be encouraged to include small operators in their tender, for example as sub-contractors or in partnership with a larger operator.

Looking ahead to future ferry service procurements, on a case-by-case basis our chosen approach with regard to unbundling will be dependant on consideration of both the best interests of ferry users, value for money and our desire to create opportunities for businesses – including SMEs and the third sector - to access these opportunities.

¹⁶ NB. early in 2013, a new EU Procurement Directive is expected to be published. While we do not know the detail as yet, it is likely that the Directive will have an impact on existing procurement processes and procedures.

Appendix 7 Summary of Additional Sailings

	Sailings Per Week		Increase		Notes
	Current	Plan	Actual	%	

Package 1

Isle of Arran - Summer Deployment:

Arran - Ardrossan/Brodick	35	63	28	80%	Comparator is the current single-vessel summer service; not 8 week time-table
Kintyre Pilot	0	3	3	-	

Isle of Arran - Winter Deployment:

Coll/Tiree	4	5	1	25%	Sailing Days
Barra/South Uist	4	5	1	25%	Sailing Days

Improved time-table for Small Isles:

Eigg	6	8	2	33%	Comparison with the current summer time-table
Rum	5	8	3	60%	""
Muck	5	8	3	60%	""
Canna	5	8	3	60%	""

Additional sailing Cumbrae (summer period)	344	345	1	0.3%	
Colintraive to Rhubodach (additional sailings)	231	259	28	12%	Not 6th April - 26 August
Additional sailing for Colonsay (summer only)	6	7	1	17%	

Package 2

RIB Vessel for the Small Isles:

Eigg	6	9	3	50%	Comparison with the current summer time-table
Rum	5	9	4	80%	""
Muck	5	9	4	80%	""
Canna	5	9	4	80%	""

Dedicated vessel for Colonsay:

Summer period	6	12	6	100%
Winter period	4	12	8	200%

Isle of Mull - Winter Redeployment:

Improved service on Oban/Craignure	29	36	7	24%
------------------------------------	----	----	---	-----

Package 3

New vessel - Summer Deployment:

Oban/Craignure	44	83	39	89%	Comparator is the current single-vessel summer service
----------------	----	----	----	-----	--

Further copies of this document are available, on request, in audio and large print formats and in community languages (Urdu; Bengali; Gaelic; Hindi; Punjabi; Cantonese; Arabic; Polish).

اس دستاویز کی کاپیاں آڈیو اور بڑے پرنٹ فارمیٹس میں دستیاب ہیں۔ اس دستاویز کی کاپیاں اردو، بنگالی، گیلک، ہندی، پنجابی، کانتونسی، عربی، پولش اور دیگر کمیونٹی زبانوں میں بھی دستیاب ہیں۔

اس دستاویز کی کاپیاں آڈیو اور بڑے پرنٹ فارمیٹس میں دستیاب ہیں۔ اس دستاویز کی کاپیاں اردو، بنگالی، گیلک، ہندی، پنجابی، کانتونسی، عربی، پولش اور دیگر کمیونٹی زبانوں میں بھی دستیاب ہیں۔

Ukrajinské lekárnice a zdravotnícke strediská sú otvorené pre vás 24 hodín denne, ako aj v sobotu a nedeľu. Čiže 24/7.

इस दस्तावेज़/कागजात की और प्रतियाँ, यदि चाहे पर, अतिरिक्त रूप पर और बड़े अक्षरों में तथा सम्बन्धित भाषाओं में मिल सकती हैं, कृपया संपर्क करें:

दिस दस्तऐवज/कागजात चीआ और प्रतियाँ, यदि चाहे पर, अतिरिक्त रूप पर और बड़े अक्षरों में तथा सम्बन्धित भाषाओं में मिल सकती हैं, कृपया संपर्क करें:

此文件有更多複份。如果需要，語言版本和大大小小版本及少數種族語言版本也可提供。請聯絡。

يمكن أن يطلب النسخ الأخرى من هذا المستند بالتنسيق مع المراسل والمكتب
ومسح ملفات أخرى، يرجى الاتصال على:

Aty otrzymać niniejszy dokument w innej wersji językowej, niż korespondent lub w wersji z powiększonymi drukami, prosimy o kontakt:

Transport Scotland, Buchanan House,
58 Port Dundas Road, Glasgow, G4 0HF
0141 272 7100
info@transportscotland.gsi.gov.uk
www.transportscotland.gov.uk

ISBN: 978-1-908181-71-8

© Crown copyright 2012

You may re-use this information (excluding logos and images) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document/ publication should be sent to us at info@transportscotland.gsi.gov.uk

This document is also available on the Transport Scotland website:
www.transportscotland.gov.uk

Produced for Transport Scotland by APS Group Scotland
Published by Transport Scotland, December 2012