

## **EXPERT FERRY GROUP - 16 MAY 2016**

Victoria Quay, Edinburgh  
1100-1330

### **Present:**

- Humza Yousaf MSP – Minister for Transport and the Islands (until 1200)
- Professor Alf Baird – Academic
- Allan Comrie – SPT
- Kevin Hobbs – CMAL
- Ranald Robertson – HITRANS
- Gordon Ross – Western Ferries
- Brian Fulton – CalMac Ferries Ltd
- Michael Craigie – ZetTrans (by phone)
- Roy Pedersen – Author & Consultant
- John Nicholls – Transport Scotland
- Richard Hadfield – Transport Scotland
- Brian Gordon – Transport Scotland

### **Apologies:**

- Professor Iain Docherty – University of Glasgow
- Guy Platten – UK Chamber of Shipping
- Graham Laidlaw – Transport Scotland

### **Introduction and Apologies**

1. John Nicholls (JN) welcomed everyone to the Expert Ferry Group and thanked the Minister for his attendance until 12pm. It was agreed that item 6 on the agenda, General Discussion, would be brought forward to after the Minister's opening remarks to allow the Minister to hear and engage in discussion. JN stated that discussion of live procurement exercises, such as the currently paused Gourock – Dunoon Ferry Services tender, was not permitted.
2. Apologies were given from Guy Platten and Iain Docherty.

### **Minister's Opening Remarks**

3. The Minister thanked members for their participation in the Expert Ferry Group and noted members have invaluable knowledge and experience that has been beneficial to the Minister in his first year in the role. He noted the opportunities and challenges that exist within Scotland's ferries network, and the changing political and constitutional landscape.

## **General Discussion**

4. Kevin Hobbs (KH) gave an update on live CMAL projects, including Brodick terminal, Colintrave/Rhubodach slipways, two vessels currently being constructed at Fergusons and work with relevant parties on the port infrastructure for the new vessels.

5. KH explained that CMAL are looking at a 30 year horizon and set out in general terms the likely investment required annually over that period. Michael Craigie (MC) noted that the same issues exist on the Northern Isles services and that a clear picture is required in a national context.

6. Discussion took place on options for financing. Gordon Ross (GR) noted that one way to reduce cost would be to offer longer term contracts to shipyards for a programme of new vessels, allowing economies of scale and providing security for the shipyard and employees.

7. Vessel cost was discussed and comparisons made to recent private sector projects. It was agreed that while there may be options to procure vessels more cheaply, there would be wider issues with which the Scottish Government are concerned, such as jobs, the Scottish economy and climate change targets and additional risks associated with the delivery of contracts further afield.

8. It was agreed that there would be benefit in further exploring options for third-party financing.

### **Action – TS officials to look at the possibility of a rolling contract for vessels and at third party financing.**

9. Discussion took place around the need to standardise Scotland's ferry infrastructure as much as possible, to allow flexibility and improve resilience.

10. Alf Baird (AB) explained in his view the benefits of tendering smaller bundles of ferry services, where the operators would bring their own vessels and there would be no requirement for the Scottish Government to provide vessels. AB stated that communities' main priority is frequency and that increased frequency drives demand and in turn revenue. Discussion took place around the advantages and disadvantages of catamaran and monohull vessel designs and the potential for trialling a catamaran on the CHFS network.

11. The Minister thanked members for the useful discussion and offered to meet any members that he had not yet met on a one to one basis. The Minister left the meeting.

12. Roy Pedersen (RP) suggested that it would be helpful if the Expert Ferry Group meetings could be extended until around 3pm in future to allow for more in-depth discussion of issues. It was agreed that this could be possible, but would be assessed on a meeting to meeting basis depending on the agenda.

### **Minutes of Previous Meeting**

13. JN noted that the minutes of the 6 October 2017 meeting have been agreed with members, put to the Minister for information and published on the Transport Scotland website.

14. The actions were reviewed. KH's action to provide the Group with a paper on existing infrastructure remains outstanding although the work has been undertaken.

### **Vessel Replacement & Deployment Plan presentation**

15. Richard Hadfield (RH) gave a presentation on the Vessel Replacement & Deployment Plan (VRDP) 2015 annual report which was published in December 2016. A copy of the presentation is available separately on request.

16. MC asked about plans to include the Northern Isles. RH noted that the intention is to incorporate the Northern Isles capital spending needs in due course, however the ongoing Northern Isles Ferry Services STAG work is looking at the same issues in greater detail. Once the STAG study has concluded, consideration can be given to how the Northern Isles work will be brought together with the VRDP work.

17. Discussion took place around Road Equivalent Tariff (RET) and the effect on demand and capacity.

18. RP stated that an increase in motorhomes has contributed to capacity challenges. Brian Gordon (BG) noted that the motorhome fares are derived from the car fare, and therefore large reductions were seen at the introduction of RET. Brian Fulton (BF) noted that some islands have adapted to benefit from the increase in motorhomes.

19. GR asked whether the option of looking to the private sector to provide increased capacity during peak periods had been considered. RH stated that it had not but that it might be something that could be explored further. RP noted that Pentland Ferries may have a spare vessel once their new vessel is in service. JN noted the difficulty in providing enough capacity to meet peak demand for a relatively short period without providing significant over-capacity for the rest of the year.

20. GR stated that Islay is a unique opportunity to increase capacity by directing more sailings to the shorter Port Askaig route allowing for greater frequency. It was noted that with a connecting bus service to Port Ellen the overall journey time would be comparable.

21. Ranald Robertson (RR) asked if the Group could comment on the VRDP 2016 before publication. RH agreed that depending on the timing of the next meeting he could present the findings.

**Action – RH to present VRDP 2016 findings at next meeting if timing allows**

### **Further exploration of passenger capacity, vessel design & terminal design**

22. RH noted that, whilst demand for vehicle-deck space could sometimes exceed capacity passenger capacity is rarely an issue, however he will pick this up with CalMac and CMAL during vessel design stage.

23. RH has had initial discussions with CMAL regarding vessel speed and was intending to seek help from RP for comparable Norwegian data.

**Action – RH to email RP to obtain contacts for vessel speed issues**

24. Discussion took place on the issue of lock-on linkspans. RH stated that he has referred the issue to the Network Strategy Group (Transport Scotland, CalMac and CMAL) for further consideration. It was noted that there would be significant challenges around transition, cost and impacts on crewing. KH added that there would be significant operational challenges and in his view would be unlikely to work, with Port Askaig given as an example.

### **Agenda items for next meeting**

25. BF stated that by the time of the next meeting he will have set up the Communities Board, however it is not currently anticipated that this would be an agenda item.

26. It was put forward that it would be helpful to consider the recent investment in a new vessel by Pentland Ferries to see if lessons could be learned. JN agreed to consider how this could be done.

27. RP would like to present his work on a two vessel option for the Uig – Tarbert/Lochmaddy service. He will speak with KH and BF for input ahead of the meeting. JN agreed that this could be considered as a possible agenda item for a future meeting.

28. Allan Comrie (AC) thought it would be beneficial to invite a Master to explore operational issues, as this had worked well at recent Ferry User Groups. Members discussed and agreed that it would need to be a Mariner who had experience of different vessel types who could take a more strategic view. This will be considered further.

### **AOB**

29. AC noted that the Glasgow event for the Procurement Policy Review was on a public holiday and therefore SPT may struggle to field representation. JN was aware that there had been difficulty in finding a suitable date.

30. The meeting was closed.

Ferries Unit  
Transport Scotland

30 June 2017