

EXPERT FERRY GROUP - 4 DECEMBER 2017

Victoria Quay, Edinburgh
1100-1300

Present:

- Alf Baird (AB)
- Michael Craigie – ZetTrans (MC)
- Kevin Hobbs – CMAL (KH)
- Roy Pedersen – Author & Consultant (RP)
- Guy Platten – UK Chamber of Shipping (GP)
- Ranald Robertson – HITRANS (RR)
- Gordon Ross – Western Ferries (GR)
- John Nicholls – Transport Scotland (JN)
- Graham Laidlaw – Transport Scotland (GL)
- Paul Flynn – Transport Scotland (PF)

Apologies:

- Allan Comrie – SPT
- Iain Docherty – University of Glasgow
- Brian Fulton – CalMac Ferries Ltd
- Richard Hadfield – Transport Scotland

Introduction and Apologies

1. JN welcomed everyone to the Expert Ferry Group.
2. Apologies were given from Brian Fulton, Allan Comrie, Richard Hadfield and Iain Docherty.

Transport Scotland Policy Work Update

3. GL gave an update on several strands of on-going work that Transport Scotland (TS) were involved with, all at various stages of completion.
4. GL explained that the Vessel Replacement and Deployment Plan (VRDP) (2016) report is currently with Ministers for approval. A VRDP presentation is to be given to the group by Richard Hadfield at the next EFG meeting. GL further advised that the 2017 VRDP work would be Scotland- wide and would bring several different strands of work together, including Northern Isles work and Outer Hebrides Scottish Transport Appraisal Guidance (OH STAG).

5. GL then provided a further update on the Northern Isles ferry fares work. He advised that TS were engaged with commercial operators on the Pentland Firth on the creation of a mechanism that will bring them into the fares reduction, and that all fares will reduce for passengers and cars, although some users will see bigger reductions than others, at different times of the year due to the seasonal nature of the current fares regime.

6. GL confirmed that TS and Ministers are aware of concerns with respect to demand for cabins at peak times. PBA (Peter Brett Associates) Northern Isles study on the impact of reduced fares on demand/capacity will include consideration of what options exist to increase capacity, and this is due to be published in the near future.

7. RP asked what the timescales for introduction for reduced fares was, and GL responded that it was planned for first half of 2018. AB asked to see the fares formula that was being used. GL advised that information was provided as part of the news release at the time of announcement (August 2017).

Action – TS to provide copy of fares formula information from news release.

8. Northern Isles capacity was discussed within the group. RR asked if Serco NorthLink Ferries (SNF) could re-introduce the third sailing again across the Pentland Firth, if required. GR asked if the removal of the MV Hamnavoe from the Pentland Firth had been considered in response to the potential increase in demand from Shetland following the introduction of RET and the arrival Pentland Ferries' new vessel in the summer, (i.e. Pentland Ferries would provide the two Pentland Firth services).

9. GR asked what would happen if another commercial operator was to enter the market on the Pentland Firth. GL advised the mechanism that was being developed for commercial operators was on a 'non-discriminatory' basis in line with State Aid advice, and that any new commercial operator would be treated accordingly.

10. MC raised a point on coaches and capacity. He advised that coach parties are inefficient users of capacity with respect to cabins on the Aberdeen services to Shetland and Orkney. GL advised that this was something that was worthy of further exploration with SNF.

Action - TS to raise issue for discussion with SNF.

11. GL then provided an update on the Ferry Freight Fares Review. He explained that, following extensive work by the Working Group, comprehensive advice on options for a potential future freight fares regime has been passed to Ministers for their consideration. Ferries Unit officials have been engaging with Ministers on that advice as they consider the way forward.

12. JN provided an update on the Procurement Policy Review. He advised that Mr Yousaf had announced in July that the timeline had been extended. An interim report was due to be published shortly.

13. JN then concluded the TS Policy update on the Audit Scotland (AS) report. He advised that the Public Audit and Post-Legislative Scrutiny Committee (PAPLS) had recently taken evidence from AS. It is likely that TS will be called to provide evidence sometime next year. Roy Brannen had issued an initial response to the AS report.

Action – TS to share Roy Brannen response with the group.

General Discussion

14. RP advised that the Expert Ferry Group (EFG) had been meeting for a number of years and had provided examples and papers demonstrating how changes in policy could improve the productivity of the current providers of the subsidised ferry services. He asked for clarity on what purpose the EFG was serving. AB agreed that clarity was required on the extent to which EFG discussions could influence policy development.

15. GL explained that Ministers and TS found the EFG discussions useful, both in the development of ferries policy and in the wider policy context. It was noted that ferries policy did not exist in a vacuum, and contributed to wider policy aims around economic development for the islands and remote communities.

16. KH commented that he would welcome the Minister's attendance at a future EFG meeting to discuss these wider policy considerations, around for example, vessel construction specification and levels of on-board service. The group expressed that they would appreciate the Minister attending the next EFG meeting in order to discuss what is both possible and practicable within the existing policy framework, including any "red line" issues.

17. MC advised that he felt it would be useful for each EFG meeting to have a 'theme' and this would allow each member to come prepared. There was a general consensus of agreement within the group for this approach, and a suggestion that longer meetings would allow more time for discussion. **JN advised that this was something that could be considered for the next EFG meeting.**

Little Minch Study

18. RR introduced this paper, prepared by RP.

19. A general discussion on the paper followed and GL advised that these sorts of issues would be picked up in the upcoming Outer Hebrides STAG, TS will ensure that it is fed in.

Islay-Jura Overland

20. This paper was prepared and introduced by RP.

21. There followed a general discussion on this paper and it was agreed that it would be considered how best to feed this into the National Transport Strategy (NTS) and ultimately the Strategic Transport Projects Review (STPR) work.

Catamaran Paper

22. This paper was introduced by JN and prepared by KH. KH gave a brief summary of the paper. Catamarans would require a significant spend on infrastructure at a time of spending constraints. For example, Uig and Castlebay would require significant works to accommodate these types of vessels.

23. AB commented that he felt that any modifications may not need to be large pieces of work which would be costly. KH advised that he was not suggesting that catamarans, on the whole, do not fit the CHFS network, just not the one that he had been asked to look at for this paper.

Norway Ferry Review

24. GL introduced this paper, prepared by Robert Trythall.

25. RR intimated that he had found it to be an interesting read. AB advised that it demonstrated the views of an islander with industry experience. He said that his paper highlights some issues that a commercial operator would notice. However, a lot of what was contained in the paper would be affected by the wider policy framework which had been discussed earlier.

26. JN advised the paper had been noted.

Next Meeting

27. JN confirmed that TS will liaise with the Minister's Private Office for available dates.

Action – TS to revert to EFG with dates once confirmation received from Minister's PO.

AOB

28. The meeting was closed.

Ferries Unit
Transport Scotland

22 January 2018