

13 FEBRUARY 2013

CRAIGNURE PASSENGER ACCESS SYSTEM

1. SUMMARY

This report provides an update on the issues relating to the future replacement of the current Passenger Access System (PAS) at Craignure following the publication of the Scottish Ferries Plan in December 2012.

2. RECOMMENDATIONS

- 2.1 That Members note this report and endorse the proposed partnership approach and next steps set out at section 4.0
- 2.2 That Members note that a progress report will be brought to the OLI Area Committee in April 2013.

3. BACKGROUND

3.1 OLI Business Day September 2012

At the OLI Business Day in September 2012, the Service outlined the Council's policy position with regard to the PAS at Craignure and set out a proposed approach with regard to progressing its future replacement with CMAL. The proposed approach was to request that CMAL provide a Business Case (including Options Appraisal) for the replacement PAS. The Business Case should consider each of the 3 options below and should provide surety in terms of construction cost estimates, contingencies and optimism bias.

The Business Case should be reflective of CMAL and the future ferry operator's plans for the deployment of ferry vessels on the Oban – Craignure route, for the period 2013-2015 and beyond.

The Business Case should consider how each of these options will configure with current or future passenger handling and accommodation arrangements; to ensure that any new provision improves the passenger experience.

The Council should consider the options for PAS replacement contained within the Business Case and endorse, either:

1. The current provision, which is limited in terms of compatibility to the MV Isle of Mull and the MV Clansman (and can be weather dependent), or;
2. The preferred design proposed by CMAL, which allows for compatibility with the majority of ferries currently in operation, or;
3. The development of a proportionate “fit for purpose” design option which would be compatible with a greater range of future vessels than that allowed for by the current PAS installation, or;
4. **A pragmatic combination of any of the above** - to provide passengers with the surety of provision in the short term, and confidence that the right solution will be procured, and to a timetable related to the future ferry service for the Oban-Craignure route.

Informed by the above and with reference to the Council’s current policy position at section 3.4, the Council can then consider its position with regard to the ownership and responsibility for the future provision and funding of a replacement PAS at Craignure.

3.2 CMAL – Argyll & Bute Meeting 25 September 2012

A strategic planning and operations meeting was subsequently held between CMAL and Development & Infrastructure on 25 September, at which consensus around the following points was achieved:

- The current PAS structure is fit for purpose and is safe. The PAS, if supported with a satisfactory planned inspection and maintenance regime has a design and operational life of up to 10 years.
- CMAL to identify maintenance costs and works required to keep the current PAS operational until 2018.
- Although the current PAS is not ideal, it is considered to be suitable. The replacement PAS should be developed for introduction at the same time as new vessels (as per Ferries Plan) and following a port planning exercise; which may require alterations to the pier, passenger handling and vehicle marshalling arrangements & infrastructure.
- The current Design Specification for the replacement PAS, which was completed by CMAL (September 2012) – is based on the current shoreside passenger accommodation and vehicle marshalling layout.
- Port planning exercise to be undertaken at Oban and Craignure by CMAL & Argyll & Bute Council to ensure that a future PAS replacement will meet future passenger handling/customer requirements. The port planning exercise will identify any other additional infrastructure upgrade works required for next generation of ferry vessels.
- Common design elements to be investigated with regard to CMAL’s current planning/design work at Brodick/Craignure, to assist port planning process.

- Procurement for a new PAS would have a lead time of circa 18 months from commencement of procurement to completion of construction.
- Milestones and timeline to be developed based on new ferry delivery and working backwards.
- Separate to the Oban – Craignure route, discussion regarding strategic resilience in the event of A82 & A83 road closure highlighted potential opportunities to utilise the 2 ferry option at Ardrossan – Brodick to Campbeltown.

3.3 Oban - Craignure Ferry Service – Scottish Ferries Plan

The Scottish Ferries Plan was published in late December 2012 by the Scottish Government for the period 2013 – 2022. The Government's proposals for the Oban-Craignure route are to introduce a two ferry option within the period of the next Clyde Hebrides Ferry Services (CHFS) tender which is due for issue in 2016. The intention for the summer period is to provide an enhanced service provision; giving an increase in the frequency of sailings including an early morning departure from Craignure at or around 0700hrs and daily evening sailings at or around 2000hrs and 2200hrs.

Following consultation with CMAL, it is understood that the second vessel will be available from 2016, subject to finance approval from the Government. It is envisaged that the new vessel will be similar in size to the MV Argyle that currently serves the Rothesay Wemyss bay route.

3.4 Argyll & Bute Council Policy Position – Craignure PAS

The Council's current position with regard to responsibility for the PAS, as set out in meetings and correspondence with the Scottish Government and CMAL, is summarised within the Briefing Note at Appendix 1. The current position is that as CMAL own the asset and are responsible for its maintenance, that they should be responsible for its ongoing safety, operational reliability and the provision and funding of any replacement structure.

The Council has made no budget provision to fund either a replacement PAS or to undertake the additional shore side infrastructure and passenger waiting facility works as required by the proposed PAS replacement design. Any consideration of Council funding for the proposed PAS replacement and shore side infrastructure works will require to be made by the Council. There is no provision within the capital budget planning proposals being brought forward to the Council's Budget on 14 February with regard to the Craignure PAS.

The Council's Marine Service works in partnership with CMAL at both a strategic and operational level. Given the mutual priority to ensure that

the Craignure PAS remains fully serviceable and reliable until it is replaced, CMAL have now provided their proposed maintenance plan for the PAS; which is equivalent to circa £13K per annum. The Marine Service will review this plan to establish which areas may fall to the Council to support in terms of the Council's responsibilities for services at Craignure.

4. NEXT STEPS

- 4.1 With the publication of the Ferries Plan, CMAL and Argyll & Bute Council can now progress the port planning exercise required to establish the future shoreside infrastructure requirements at Craignure. This process will support the development as a partnership between the Council and CMAL, of the required Business Case.
- 4.2 The timetable to complete the port planning exercise and business case will be established by 31 March 2013, and can be reported along with an indicative procurement timetable to the Oban, Lorn and the Isles Area Committee, and subsequently to the Mull & Iona Community Council's, in April.
- 4.3 In conjunction, the Council and CMAL will develop a Communications Plan which it is anticipated will involve community meetings as required to communicate the proposed plan and to answer questions and concerns.

5. CONCLUSION

- 5.1 The publication of the Scottish Ferries Plan provides the opportunity to plan for the "right" PAS and shore side infrastructure at Craignure, which will be fully compatible with future ferry operator requirements, which will improve vehicular & passenger travelling experience and will put customer requirements first. Following discussion at the OLI Business Day in September the consensus achieved between CMAL and the Marine Service (as summarised at 3.2) provides required clarity to allow both parties to work together in partnership to deliver the proposed next steps, as set out at section 4.0.

6.0 IMPLICATIONS

Policy

Current Council policy is that as CMAL own the PAS and are responsible for its maintenance, that CMAL should be responsible for its ongoing safety and operational reliability and the provision and funding of any replacement structure.

Any consideration with regard to the Council adopting ownership and responsibility for the PAS

	and/or funding its replacement will require Council approval
Financial	The Council considers capital expenditure decisions based upon a Business Case approach. The Marine Service has had no locus to date in terms of the development of a Business Case for the provision of a replacement PAS, as the PAS is not a Council asset.
	The proposed partnership approach with CMAL towards the required port planning and business case for shoreside infrastructure and PAS replacement will allow the “right” solution to be established. As part of the business case development process consideration will be given to funding options; e.g. the funding model for the completion of port infrastructure upgrade works for the Tayinloan Gigha ferry service is through prudential borrowing funded in full through increased berthing charges applied to the ferry operator.
Personnel	None
Legal	The legal position remains that the Council do not have a responsibility to replace this asset
Equal Opportunities	The requirement for CMAL to make reasonable DDA provision in terms of PAS design and embarkation/disembarkation provision
Risk	Financial & reputational risk to Council
Customer Service	The lack (or perception) of a reliable PAS will impact adversely on the Island of Mull. Uncertainty regarding the future of the current PAS and the timetable for its replacement may impact upon customer service.

7.0 APPENDIX

Appendix 1 Summary Briefing Note September 2012

For further information please contact Martin Gorringe, Marine Operations Manager
(01546604656)

Development and Infrastructure Services

Summary Briefing Note – September 2012 – Responsibility for the Craignure PAS

The Council is the Harbour Authority at Craignure and has confirmed on a number of occasions with CMAL that their Passenger Access System is safe. CMAL have confirmed that it holds all necessary test certification for the PAS and that it is subject to regular inspection and maintenance routines in accordance with CMAL's maintenance programme.

The Passenger Access System (PAS) at Craignure was procured 20 years ago by CFL and was inspected and maintained by CFL until its transfer to CMAL. CMAL have confirmed that following agreement between CMAL, CFL and Scottish Government that harbour maintenance responsibilities previously undertaken by CFL under the Harbour Access and Operating Agreement (HAOA) and the Property and Equipment Licence (PEL) would rest with CMAL from 01 October 2009.

The transfer from CFL to CMAL of responsibility for the provision, inspection and maintenance of Passenger Access Systems was undertaken not only at Craignure, but at other ferry port facilities where CMAL is not the Harbour Authority such as Stornoway, Ullapool, Ardrrossan and at Port Askaig. At Port Askaig, where Argyll & Bute Council is the Harbour Authority, in the last 12 months CMAL have procured the new PAS to accommodate safe passenger access for the new **MV Finlaggan** and retain responsibility for all necessary inspection, testing and maintenance requirements.

There are sound legal and operational reasons for this arrangement. The Merchant Shipping (Means of Access) Regulations 1988 provide that the primary responsibility for ensuring that there is a safe means of access between the ship and the quay lies with the ship's master and the employer of the ship's master (not the Harbour Authority). The logic for formerly CFL, and latterly CMAL, having responsibility for the Passenger Access Systems across the network is, that given the operational requirement from time to time to deploy different ferries on different routes, responsibility for ensuring safe passenger access should sit with the Master of the vessel (CFL - the Operator) and the Asset Manager (CMAL - the Client); which would appear to be consistent with the Regulations and the contractual arrangements between CMAL and CFL to ensure unrestricted operation.

CMAL currently has responsibility to ensure that the current PAS at Craignure is maintained in a safe and reliable condition until such times as a replacement PAS is procured. It was commonly understood until the final quarter of 2011 that CMAL was replacing the PAS.

The Council does not consider that there is any specific statutory duty incumbent on the Council to provide vessel specific embarkation facilities,

particularly when, as a matter of practice, these have been provided by CMAL and its predecessor for a number of years.

In relation to berthing charges made by the Council at Craignure, Argyll & Bute has a strong record of supporting its fragile island and coastal communities through its commitment to life line ferry services and its record of investment in its piers and harbours. As by way of example, the Council has just completed (August 2012) a £3M upgrade of harbour upgrade works at Tayinloan to improve the Gigha life line ferry service. The Council uses the revenues it raises from its portfolio of operational piers and harbours to support these key infrastructure assets, which are critical to the economy and sustainability of our communities.