

**9 April 2014**

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**SCOTTISH FERRIES PLAN -UPDATE**

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**1. SUMMARY**

This report provides an update on the issues relating to the Scottish Ferries Plan published by Transport Scotland in December 2012.

**2. RECOMMENDATIONS**

- 2.1 That Members note this report

**3. UPDATE****3.1**

The Council had submitted their response to the Scottish Ferries Review covering the key issues of funding, fares, responsibility for providing ferry services, accessibility and the environment.

**3.2 Funding**

The question of funding entailed consideration of the potential transfer, through CMAL, of the Council's marine assets used for the provision of subsidised ferry services to the Scottish Government. It was stated that whilst the Council was open to considering the transfer it would have to be subject to a detailed options appraisal and business case methodology. As a discrete package of work this has not been progressed by either Transport Scotland or the Council.

**3.3 Fares**

The rollout of Road Equivalent Tariff (RET) remains in line with the plan as published in 2012. The fares on the ferry routes that are operated by the Council will remain within the jurisdiction of the Council until the issue of responsibility has been resolved. The issue of freight fares is being addressed through the working group which held its inception meeting in February 2014. The objectives of the Ferry Freight Fares Review are to deliver a new fares structure for large commercial vehicles to be implemented across all Scottish Government subsidised ferry services and to develop an overarching set of principles and procedures for setting of other freight fares. Other freight incorporates goods carried in smaller commercial vehicles, livestock carried in

specialist containers and bulk freight such as fish food and fertiliser. The Council are represented on this group and it is anticipated that the review will be completed this year.

### 3.3 Transfer of responsibility of ferry services

The Council response to the Ferries Review stated that its preferred position was not to operate any ferry services. The needs based assessment is split into two stages and the first stage is now complete. This was submitted to Transport Scotland for their review and a gap analysis undertaken. The conclusions are tabulated below:

#### Monday – Saturday Services

| Island    | Number of sailing days | Number of sailings per day | Length of operating day     |
|-----------|------------------------|----------------------------|-----------------------------|
| Luing     | Sufficient provision   | Sufficient provision       | Sufficient provision        |
| Lismore   | Sufficient provision   | Sufficient provision       | Sufficient provision        |
| Easdale   | Sufficient provision   | Sufficient provision       | *Marginal under provision   |
| **Kerrera | Sufficient provision   | Marginal under provision   | Substantial under provision |

\*It is deemed that there is sufficient provision on Friday and Saturday due to the extended length of operating day

\*\*Kerrera has been included for completeness but is not operated by the Council.

#### Sunday Services

| Island  | Number of sailings per day | Length of operating day     |
|---------|----------------------------|-----------------------------|
| Luing   | Marginal under provision   | Substantial under provision |
| Lismore | Sufficient provision       | Substantial under provision |
| Easdale | Marginal under provision   |                             |
| Kerrera | Marginal under provision   | Substantial under provision |

The Council will now review this gap analysis to determine what short, medium and longer term options might be appropriate. Although under provision was identified for Sunday services in all islands it has been recognised by Transport Scotland that demand in the communities on Sundays may not necessitate a service extension.

In the case of Kerrera the level of service provision has been accepted as sufficient in the short term by the local community. The longer term

options are subject to a separate study which will include the potential provision of a road link from north to south.

It is considered that the most appropriate mechanism for determining the case for a service extension is to consult with the local communities. The results of this will need to be subject to Area Committee consideration and if approved will form the basis of the subsequent financial modelling exercise. It is this model which will be submitted to Transport Scotland in parallel with a report on the current vessels and associated marine infrastructure.

At a recent meeting with Transport Scotland the issue of the potential transfer of all Council ports and harbours directly associated with ferries, e.g. Craignure should be included in the final report submitted to them.

### **3.4 Accessibility and Environment**

The Council response to the ferries review was that it was considered desirable that any new vessels/infrastructure should be DDA compliant and an accessibility information System whilst beneficial would require to be implemented consistently across the network and funding identified.

In respect of the environment the Council welcomed the Scottish Government's proposal to invest in more fuel efficient technology such as hybrid ferries. The first such vessel is in operation on the Raasay Sconser route and the second scheduled for introduction on the Portavadie Tarbert route.

## **4. CONCLUSION**

- 4.1 The publication of the Scottish Ferries Plan has provided the platform for introducing a series of measures, the most significant of which is the potential for the transfer of responsibilities for Council owned ferry services. The routes and needs analysis is progressing as planned and will allow for timeous decisions to coincide with the tendering of the Clyde Hebrides Ferry services (CHFS) tender in 2016.

## **5.0 IMPLICATIONS**

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|-----------|---|
| Policy    | Any consideration with regard to the Council transferring responsibility for the ferry services and associated funding will require Council approval.   |
| Financial | The Council will provide a financial model to Transport Scotland that will encompass all costs associated with the transfer of vessels and infrastructure. Transfer of funding will require Council approval. |

|                     |   |
|---------------------|---|
| Personnel           | There is a possibility that ferry crews would TUPE if the ferry services are transferred. This would be subject to Union consultation and Council approval. |
| Legal               | The transfer of title for marine infrastructure will require to be arranged through legal services.   |
| Equal Opportunities | None  |
| Risk                | Financial & reputational risk to Council  |
| Customer Service    | The decision to transfer responsibility could impact on customer service.   |

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Development and Infrastructure Services  
18 March 2014

### 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.