

MARINE ASSET MANAGEMENT PLAN – CRAIGNURE FERRY TERMINAL

1.0 INTRODUCTION

- 1.1 This report provides Harbour Board Members with the latest update on the proposed ferry terminal project at Craignure, Isle of Mull, and seeks authorisation to proceed from the Outline Business Case (OBC) and progress to the next phase, which includes Environmental Impact Assessment (EIA), planning and licencing.
- 1.2 Previously reported costs through the Marine Asset Management Plan are £3M over the next two years, to reach the construction stage, which includes completion of business cases, Environmental Impact Assessments, design and tendering.
- 1.3 The next stage will also develop more accurate construction costing estimates as the design and methodology become more informed. The initial construction projection cost of £50 million is now estimated at c.£96 million based on inflationary increases to the original 2020 estimates.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to:
- 2.1.1 Consider and discuss this update on the new ferry terminal project at Craignure in conjunction with the Project Forecast (appendix 1).
- 2.1.2 Note that c.£96 million is the high-level construction projection estimate at present based on inflationary increases to the 2020 estimates.
- 2.1.3 Approve the continuation of the project to the next phase of the project with the option referred to as option 'D1' (image 1) as the preferred option.

- 2.1.4 Approve the advisory and consultation structure at 3.5 and described in the terms of reference for the Working Group (appendix 2), consisting of Working Group and Reference Group to advise Council Officers and Elected Members.

3.0 DETAIL

3.1 Background to the Craignure Pier Development Project

- 3.1.1 Scottish Government and Transport Scotland strategic planning, as part of the Islands Connectivity Plan requires Argyll and Bute Council to upgrade the ferry terminal at Craignure to facilitate planned deployments of new and existing vessels.

The existing pier and passenger access are not fit for those plans and so new infrastructure is required.

3.1.2 Project Scope & Objectives

The Project Scope is defined in the Employer's Requirements document (a working document at OBC stage), which defines the infrastructure scope and performance and capacity requirements.

The Project Objectives include:

- Replace the existing terminal infrastructure, parts of which are in poor condition, deteriorating or have limited structural capacity.
- Increase berth capacity at the new ferry terminal to allow the full range of design vessels to be safely accommodated.
- Ensure vessels can reliably berth year-round at the new ferry terminal, including in challenging weather conditions and overnight, to reduce weather-related cancellations and improve the winter timetable.
- Increase resilience of the new ferry terminal operations.
- Allow safe and efficient embarkation and disembarkation for both vehicles and foot passengers, including those with impaired mobility and wheelchair users.
- Increase capacity of the new vehicle marshalling area in line with industry standards, addressing congestion on the A849.
- Provide a new terminal building with modern facilities, meeting staff and passenger requirements.
- Provide access for RNLI lifeboat, which is used for medical evacuations from Mull to mainland.
- Avoid and minimise disruption to the ferry service as far as practicable during the construction works.

3.1.3 In order to progress this project, a preferred option should be confirmed so that detailed designs, cost estimates and construction methods can be developed. Several different locations have been the subject of extensive discussions and consultations since the original STAG report was presented in 2019.

3.1.4 Over this time, a general acceptance was readily apparent that the existing pier is in the optimal location for the ferry service. Factors such as safe water depth, recognising residential and commercial areas and prevailing weather direction all underline the position that the preferred option should be as close to the existing infrastructure as possible, without intolerable disruption to the existing ferry service.

3.1.5 A major factor in confirming the location was provided by the Ground Investigations (GI) carried out last year.

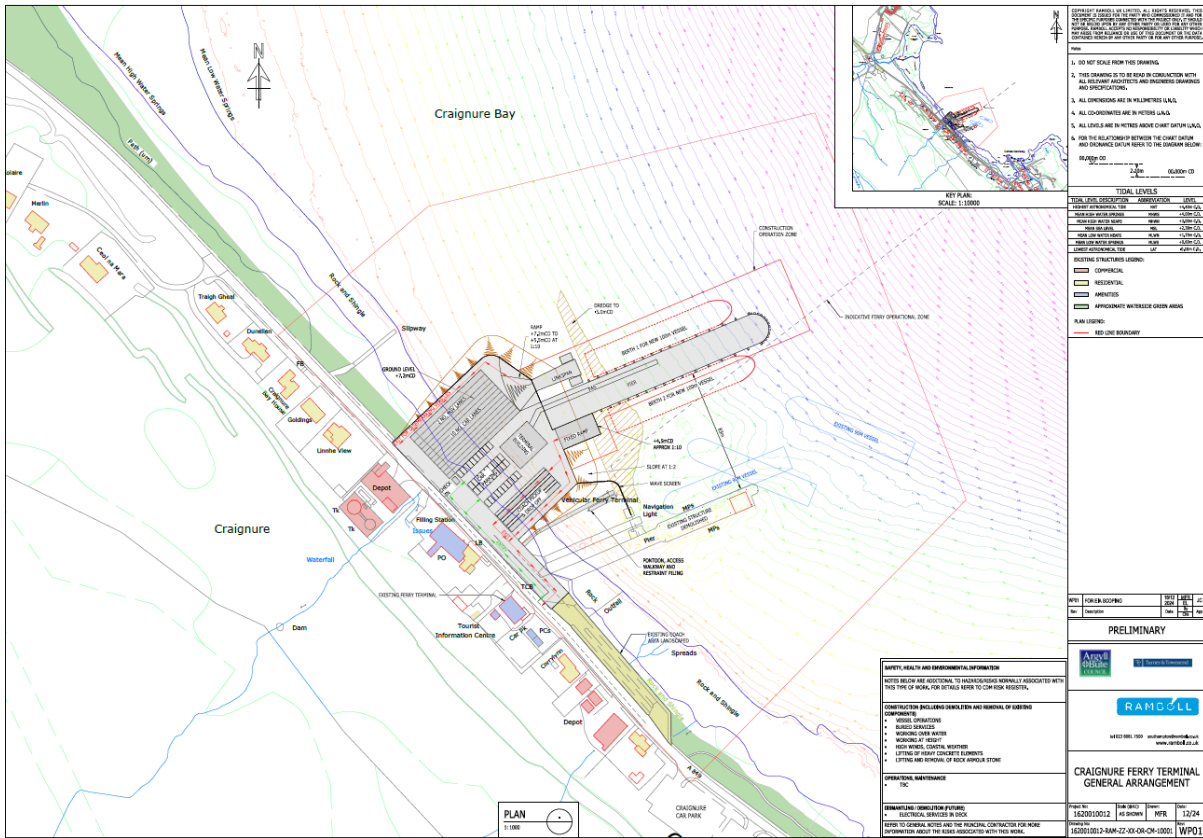
The GI encompassed an area covering two of the most suitable location options closest to the existing pier, giving the best information on technical construction issues like pile size in relation to water depth and the condition of the rock base of the seabed. It also gave an indication on how close proximity working may affect the ferry service and mitigations to consider during the construction phase.

3.1.6 As service continuity during the construction phase is a major concern for all stakeholders, specific discussions were held with the ferry service provider CFL /CalMac and vessel Masters. The experience gained from working together during the GI works and feedback from the Masters of the large vessels reassured the team that no significant gain would result from a relatively small increase in the distance of the construction from the existing pier.

3.1.7 The data and information gathered during this period has resulted in the option that is closer to the existing pier, referred to as D1 (image 1), as the optimal site for the new infrastructure and is recommended as the preferred option to take forward.

3.2 Preferred option

Image 1: Preferred option 'D1'



3.2.1 Layouts included on the diagram above are largely for information at this point as those items and details are picked up and refined at the next stage. The footprint size is based on the maximum area that may be required for operations and may see some reduction when refined. The EIA and planning are best approached with this maximum area as a starting point because it is a simpler process to reduce the scale rather than find during detailed design that the site requires more space and must therefore reapply for further licences and permissions.

3.2.2 The preferred option location is based on several connected factors and has been the subject of extensive consultation over a significant period. These discussions also included the ferry Captains and their professional opinions for future service needs.

3.2.3 The reasoning is based on:

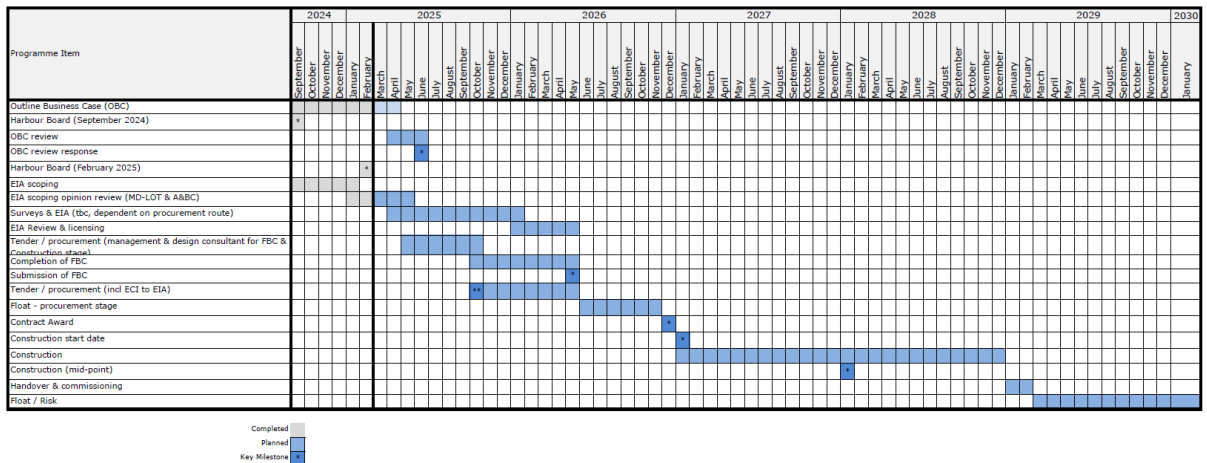
- Rebuild to north of existing pier.
 - The established location is the optimal site for safe water depth and to have as much of the new infrastructure away from residential areas.
- As far south as possible with sufficient distance away from the existing pier for maximum service continuity during construction.

- Again, this keeps the building as close to the already established area of ferry marshalling operations.
- Maximises the northern approach area for the ferry in marginal weather conditions.
- New pier to be parallel with the existing pier.
 - For optimal weather protection.
 - The pier heading was confirmed by the ferry Masters as optimal.
- Re-orientate marshalling area to increase efficiency and to reduce ribbon effect.
 - Keeping the infrastructure from spreading along the coast in a thin strip increasingly remote from the pier.
 - Operational area is concentrated around the terminal building and linkspan.

3.3 Proposed construction programme

3.3.1 The following is also attached as a PDF in Appendix 1 for ease of reading.

Image 2: Proposed construction programme



Notes on programme:

- ** start date is dependent on outcome of EIA determination. If unexpected surveys are required to confirm information which will impact procurement & construction methodology, the start date may be postponed until the survey data can be provided.
- a tender process is expected to be required for the task "Surveys & EIA".
- the task "Surveys & EIA" is shown as starting in-line with "EIA scoping opinion review" based on officers and the consulting team having confidence in the understanding of the survey requirements once the EIA scoping is complete, rather than waiting for a response before beginning the works. This is beneficial particularly in relation to seasonal surveys.

3.3.2 Anticipated Survey and Technical Requirements

As an indication of the work required in the next phase, the following table is a summary of the surveys anticipated to be included in the EIA.

Table 1: Anticipated Survey Requirements

Survey Type	Method	Brief Explanation
Air Quality monitoring	Diffusion tube set-up for a defined period	<p>Nearest council diffusion tubes are in Oban https://www.scottishairquality.scot/latest/diffusion-sites-info/87542</p> <p>Air Quality data likely needed to inform ES with regards to impacts of traffic flows on local environment during construction and operation, as well as emissions from vessels.</p>
Noise and Vibration (above ground) monitoring	Survey equipment in place for 1 week plus surveyors taking measurements on site	<p>Baseline noise data is needed to allow an assessment of potential effects on sensitive receptors, notably residential properties in the vicinity of the ferry terminal. Representative baseline levels are used to model potential construction and operational noise levels at these locations.</p> <p>Guidance is to avoid summer periods as these are typically quieter/not normal patterns – we may recommend a survey that spans both to get representative ‘commuter’ traffic and representative ‘tourist’ traffic – TBC by a noise specialist.</p>
Traffic surveys	Surveyor counts on/in vicinity of site	<p>To inform transport assessment of traffic flows associated with construction and operation and to inform air quality/noise assessments – this data is used to derive forecast flows in the future to support Air quality and noise assessments.</p> <p>A clear understanding of current traffic volumes/congestion will be used to develop the design requirements of the marshalling yard redesign.</p>
Underwater noise monitoring	Static hydrophone	<p>Up to date ambient underwater noise levels during a representative period will be important to shape the potential effects to sensitive marine receptors, notably harbour porpoise for which the adjacent SAC is designated for.</p> <p>The site is not pristine/undisturbed due to established ferry routes and therefore the availability of accurate data will allow a</p>

		proportionate assessment of underwater noise generation and propagation.
Bird surveys	Surveys of the site over seasonal period	<p>Glas Eileanan SPA – common tern breeding</p> <p>Cruic Agac Cladach Mhuile – golden eagle breeding</p> <p>May be required to inform Habitats Regulations Appraisal of the construction/operation of the replacement ferry terminal (do not envisage operational effects but we do need the data on local bird activity to inform conclusions).</p> <p>Consultation with Nature Scot recommended prior to finalising the scope of these surveys.</p>
Marine mammal surveys	Surveys of the site over seasonal period	<p>To obtain accurate data on harbour porpoise and other marine mammal presence within Craignure Bay and study area to inform marine ecology effects during construction and operation.</p> <p>Surveys depends on the target species but recommend spring/summer to capture most sensitive period. This will inform any mitigation required and/or conditions to subsequent licences.</p> <p>Consultation with Nature Scot recommended prior to finalising the scope of these surveys.</p>
Baseline Photography surveys and ZTV preparation	Landscape specialists on site to take photographs	<p>To inform landscape, seascape and visual assessments of the proposed development.</p> <p>Lynn of Lorn National Scenic Area opposite side of Sound of Mull</p> <p>ZTV = zone of theoretical visibility to inform need for assessments</p>
Coastal Modelling	Static model equipment	<p>Dependent on availability of data and calibrated models for the area, if not available then Data used to inform wave action and the detailed design of the replacement terminal and reclamation to ensure no significant effects on wave action and ferry operations. Similarly, the coastal processes modelling may also be used to inform the nature of sediment plumes formed during dredging and where these may travel to afterwards to deposit which may inform dredge methods. Sediment budget within the bay.</p>
Sediment and water sampling – contaminants	Vibrocore and surface water sampling to required dredge depth and in dredge area	<p>Required to inform dredge licensing to ensure that contaminants are known within the seabed sediment and to gather information on water quality to inform assessments.</p> <p>Note that this will require its own marine licence from MD-LOT</p>

Sediment/core sampling – marine archaeology and palaeoarchaeology	Vibrocore sampling (as part of same campaign)	<p>May be required to inform archaeological assessments of the palaeo-landscape below seabed level – many parts of the UK were affected by previous ice age cycles and these features are present on the seabed.</p> <p>The need for this activity will be determined by a suitable archaeological specialist as part of the EIA Scoping activity</p> <p>Note that this will require its own marine licence from MD-LOT (part of the activity above – only one licence required to cover both)</p>
Site Walkover (contaminated land)	Up to 2 no. surveyors	<p>To inform a contaminated land desk study required for planning/EIA to inform terrestrial impacts, due to the requirement to excavate the site to redevelop.</p> <p>Scope to be confirmed but considered likely to be required.</p>
UK Habitat survey	Up to 2 no. surveyors	<p>To inform BNG requirements as part of planning and to provide information on ecological impacts and protected species that may be in the site boundary.</p> <p>Statutory requirement of 10% not mandatory in Scotland but always nice to show possibility of landscaping and site improvements for local community – e.g. as part of new terminal building.</p>
Benthic Ecology surveys	Vessel grabs and port structure survey	<p>Could be done as part of sediment vibrocore campaign to inform assessment of marine ecology and dredge impacts to any notable species along with any invasive species present on port structures to be aware of.</p> <p>Seasonal – summer survey window (April-Sept).</p> <p>Scope to be consulted with NatureScot</p>
Revised otter surveys	Up to 2 no surveyors	<p>To ensure updated survey information is available at the time of writing the EIA (not for scoping stage)</p> <p>Can be done at any time.</p>
Economic Impact Study	External	<p>An economic impact study may be required to inform the socioeconomics assessment – this will look at the potential effects during construction (on local economy and job opportunities) and operation (on the local economy and job opportunities/tourism).</p> <p>These studies are useful to demonstrate any forecast demand in ferry access (PAX/Frequency</p>

		of trips) in line with tourism, local economy and ferry upgrades.
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3.4 Updated project construction estimate

3.4.1 Previously reported costs are estimated at £3M over the next two years, to reach construction stage, which includes completion of business cases, Environmental Impact Assessments, design and tendering.

3.4.2 As reported above, the high-level estimate at present is c.£96 million. This cost has been developed by taking the total forecast construction project cost in 2020 for option D1 and updating this cost with inflation.

3.4.3 This figure has not been updated since August 2024. When the OBC is completed an update cost forecast can be provided for further approval by Members at the next 'gateway stage', which will be this time next year before completion of the FBC.

Inflation has been taken at the mid-point of the construction stage. This point in time is January 2028. The cost has been rounded to the nearest £1000.

3.4.4 The total forecast for the construction phase of the project is c£96 million.

This forecast does not include.

- OBC stage works.
- Works between OBC and construction stage.
- Other associated works out-with the construction stage.
- Costs of any land acquisition.

3.5 Governance and consultation

The project will follow a recognised route through the approval, procurement and consultation landscape.

3.5.1 Approval procedure

Craignure port is an Argyll and Bute Council asset, and the governance clearly sits with Council Members.

The project is one of those being overviewed by senior officials on the Marine Asset Management Board with approval by Members required at each key milestone or 'Gateway' review. These are points where a review of all the relevant aspects of the project thus far can be weighed, and a decision made on proceeding with the next step of the project.

Key milestones are indicated on the project forecast and may be described as follows:

- **2025 March Harbour Board.** Completion of the OBC. Selection of a preferred option and permission to proceed to FBC for more accurate cost estimates, licencing and surveys.
- **2026 March Harbour Board.** Pre-completion of the FBC but in any case, the procurement and tender updates, cost estimates, EIA and licencing updates.
- **2026 September Harbour Board.** Pre-construction contract award.

Although Craignure port is a Council asset, responsibility for decisions around the ferry service supported by the terminal is determined ultimately by Transport Scotland.

For the new infrastructure to be fit for purpose as well as a sound investment for the future, as clear an understanding as possible of the service needs is required at an early stage and throughout the process.

Therefore, a technical 'Working Group' has been formed from those public organisations with responsibility and accountability for the service, namely Argyll and Bute Council (infrastructure), Transport Scotland (strategy), CMAL (new vessels) and CFL / CalMac (service provider).

The Working Group is referred to as the Craignure Pier Development Working Group (CPDWG) and have Terms of Reference, which are attached as appendix B. The Working Group will assist officers on coordination, information on any changes to vessel or service programmes, make recommendations as appropriate, act as a check on requirements and provide feedback on consultation questions and points.

It will be for officers to then advise and recommend to Members based on the best and most up to date information.

3.5.2 Procurement strategy

The Craignure ferry terminal project is a very large-scale marine construction project with specific logistical issues associated with island-based works and specialised construction companies who can provide those works. Marine and procurement officers are working closely with consultants on an appropriate procurement strategy that will best provide for a reliable delivery of the project with a high degree of confidence regarding cost and construction time.

3.5.3 Consultation

Alongside the 'Working Group' the long established Craignure Marine Infrastructure Liaison Group (CMILG) will continue to be the point of contact with the Community Councils, ferry groups, residents, businesses and Local Elected Members. It is an important platform ensuring every voice is heard and opinion noted and is Chaired by Councillor Armour who is Policy Lead for Roads, Transport and Amenity Services and sits on the Council's Harbour Board. All substantive points raised at the CMILG meetings will be addressed

and responded to through the Working Group thus ensuring a qualified reply is recorded.

4.0 CONCLUSION

- 4.1 This report provides Harbour Board Members with the latest update on the proposed ferry terminal project at Craignure, Isle of Mull, and seeks authorisation to proceed from the Outline Business Case (OBC) and progress to the next phase, which includes Environmental Impact Assessment (EIA), planning and licencing.

5.0 IMPLICATIONS

- 5.1 Policy - None directly arising from this report.
- 5.2 Financial – Estimated costs for the next phase of the project will be added to the Marine Asset Management Plan, allowing for the financial implications and loan planning to be smoothed over an appropriate period.
- 5.3 Legal - Considered to be none directly arising from this report.
- 5.4 HR - None.
- 5.5 Fairer Scotland Duty:
- 5.5.1 Equalities - protected characteristics - None directly arising from this report.
- 5.5.2 Socio-economic Duty - None directly arising from this report.
- 5.5.3 Islands - Completed works and projects will enhance service reliability and community connectivity.
- 5.6 Climate Change - There are no direct impacts regarding climate change from this report, due regard will be given to climate change with a view to minimising any climate change impact and these will be considered in the Environmental Impact Assessment for the works.
- 5.7 Risk - A comprehensive Risk Register is maintained for this project.
- Costs may change over time and a realistic risk factor is included in the estimates.
- External influences may come to bear on ferry usage patterns which may, in turn, impact on income from ferry fees and charges i.e. Vessel breakdowns and redeployments, Environmental issues (car use), Brexit and potential changes in RET. This will pose a potential risk to income.

- 5.8 Customer Service - An overall improvement in travel experience and reliability should result with improved infrastructure.
- 5.9 The Rights of the Child (UNCRC) - None directly arising from this report.

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February 2025

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APPENDICES

Appendix 1 - Proposed construction programme

Appendix 2 - Craignure Pier Development Working Group Terms of Reference