



# Minutes of the Caithness Transport Forum

**Date:** 13/06/2018

**Time:** 14:00 hrs

**Location:** Wick Town Hall, Wick

## **Present**

David Swanson	Caithness Chamber of Commerce (Chair)
Fiona Levack	Caithness Chamber of Commerce (Minute Secretary)
Alan Tait	Caithness Voluntary Group
Thomas Meikle	Dunnet & Canisbay Community Council
Bill Mowat	Gills Harbour
Jonathan Gunn	Highland Council
Alex Macmanus	Highland Council
Cllr Willie Mackay	Highland Council
Cllr Struan Mackie	Highland Council
Kathryn Scollie	Pentland Ferries
Sandy Mackie	Scrabster Harbour Trust
Ross Thomson	ScotRail Alliance
Kenny Hurst	Network Rail
Daniel Laird	Stagecoach
Marco Bardelli	Transport Scotland
William Sutherland	Wick John O'Groats Airport/HIAL

## 1. Welcome and apologies

1.1 The Chair welcomed everyone to the meeting and thanked all present for attending.

1.2 Apologies were received from:

Billy Manson	Association of Caithness Community Councils
Trudy Morris	Caithness Chamber of Commerce
Eann Sinclair	CNSRP
Rachel Storey	Direct Rail Services
June Love	Dounreay Site Restoration Ltd
Victoria Ross	Dounreay Site Restoration Ltd
Roger Saxon	Dounreay Stakeholder Group
Mike Lunan	Friends of the Far North Line
Clr Nicola Sinclair	Highland Council
Graham Mackenzie	Highland Council
Clr Mathew Reiss	Highland Council
Julie McGee	Highlands & Islands Enterprise
Anna MacConnell	NDA
Steve Mackintosh	ScotRail Alliance
Chris Beaven	Serco NorthLink Ferries
James Linklater	Serco Northlink Ferries

## 2. Minutes of last CTF meeting 14.09.2017

2.1 The minutes were approved as an accurate record of the previous meeting.

## 3. Review of actions from last meeting

**CTF(2017)M003/A009** – *Alisdair Goodall to arrange meeting with Caithness Councillors and Mark Whitelocks.* **COMPLETE**

Response from Daniel Laird as follows:

To my knowledge, this meeting has not yet happened. However, as you know we have had engagement with several local councillors as part of the recent public meeting. I am hopeful we will be able to facilitate further discussions when we are in a position to share service change proposals.

It was agreed that there was no need for a separate meeting and that this action should be closed off.

**CTF(2017)M003/A010** – *Alisdair Goodall and Cllr Nicola Sinclair to discuss service to East Caithness Community Facility.* **COMPLETE**

Proposals for a service to the Facility are included in those currently being consulted on by Stagecoach.

**CTF(2017)M003/A013** – *Chamber to ask Wick Harbour to provide update for next meeting.* **COMPLETE**

Willie Watt (Chair) was approached – he will raise the issue at the next Board meeting. No update was received for the current meeting.

**CTF(2018)M001/A001** – *Daniel Laird to clarify whether vehicles other than coaches can be used for Dounreay contracts* **COMPLETE**

Daniel Laird noted that after discussions with Dounreay it has been agreed to change the coach from Bettyhill to a mini bus service, this bus will then be used for the Thurso Town Centre route. There are ongoing discussions with Dounreay about whether the same might be possible on other services.

**CTF(2018)M001/A002** - *Frank Roach to provide further information on economic benefit of Midnight Train to Georgemas project once available.* **ONGOING**

Update from Frank Roach on 7<sup>th</sup> May: HITRANS are about to award the tender for the economic impact work, this will help make the case to Scottish Government for the purchase / lease of the old Caledonian Sleeper stock currently held by Serco

David Swanson further noted that he is aware the economic impact work is currently ongoing, and recently spoke with the consultants on this. A report is expected to be produced within a couple of months.

**CTF(2018)M001/A003** - *Frank Roach to provide details of freight trial once available.* **ONGOING**

Brief update on this in paper provided by DRS (see **Appendix 1**) – the trial is currently on track for summer.

**CTF(2018)M001/A004** - *Steve Mackintosh to provide details on contingency plans ref. loss of Turbostars from fleet.* **COMPLETE**

Update received from Steve as follows: Some class 365s have been secured to supplement the shortage of 385s, allowing the 170s to be released from the Edinburgh-Glasgow route to go to Northern as planned.

The Class 170 fleet will continue to run as normal from Inverness until the introduction of the HST fleet.

**CTF(2018)M001/A005** - Frank Roach to provide details of station analysis once carried out. **ONGOING**

Work has not yet been carried out. Frank to provide an update when available.

**CTF(2018)M001/A006** - Ross Thomson to take back issue with passenger stuck at Thurso on 12 Feb, look at possibility of waiting facility at station. **COMPLETE**

Ross has been put in touch with the original complainant and this has been addressed.

**CTF(2018)M001/A007** - Chamber to take up issue with points / signalling at Georgemas with Network Rail. **COMPLETE**

Response from Lindsay Saddler as follows:

I have looked into the performance of Georgemas Junction as requested and I have detailed my findings below.

In the previous 12 months there have been 3 delay causing asset failures related to Georgemas points. These are:

- 20<sup>th</sup> June 2017 – solenoid valve sticking resulting 54 minutes delay and 2 PPM failures.
- 31<sup>st</sup> October 2017 – Tight lock resulting in 87 minutes delay and 4 PPM failures.
- 12<sup>th</sup> December 2017 – front stretcher renewed resulting in 34 minutes delay and 1 PPM failure.

In addition to the above, there have also been 8 delay causing incidents recorded against severe weather where snow or ice has overcome the points heaters during December 2017 and January 2018. We have since improved the points heating arrangements at Georgemas and are also carrying out points component renewals at the junction later this year.

Having said all that, it is worth pointing out the significant performance improvement the Wick and Kyle lines enjoyed last year as a result of the introduction of the upgraded RETB signalling system and also improved asset performance generally due to additional inputs such as resource and maintenance volumes.....this despite the most challenging winter since 2009/10.

**CTF(2018)M001/A008** - Marco Bardelli to provide details of traffic management plans for Berriedale. **ONGOING**

Marco provided an update on this, noting that dialogue with 3 tendering companies continues. Although it looks likely that transport management systems will be in place for 2 weeks and road closures will take place over two nights.

**CTF(2018)M001/A009** - Jonathan Gunn to provide details of Highland Council programme of works for next financial year. **ONGOING**

Jonathan Gunn noted that they are still awaiting budget clarifications, it is hoped that this information will be available within the next 3 weeks.

**CTF(2018)M001/A010** - Jonathan Gunn to feed back on what impact winter overspend will have on rest of Highland Council road programme. **ONGOING**

Jonathan Gunn noted that this is still to be confirmed by Highland Council. There may be central Government funding available to local authorities but these areas have not been announced yet.

**CTF(2018)M001/A011** - Marco Bardelli to provide details of BEAR Scotland programme of works for next financial year. **ONGOING**

Marco noted that following the very harsh winter, BEAR have been implementing a series of urgent repairs across the North West Unit and have been completely reviewing the current year programme. He had hoped to have the draft programme available for the meeting however that has not happened. There are competing demands for work. Although they are still awaiting this information progress with some schemes is ongoing.

**CTF(2018)M001/A012** - Marco Bardelli to provide details of study on stopping places on A9. **ONGOING**

Marco reported that there is a budget to get the work started and it is hoped that the report will be available by the end of the calendar year.

**CTF(2018)M001/A013** - Marco Bardelli to feed back on geotechnical study / long term plans for A9 at Scrabster. **COMPLETE**

Marco noted that BEAR Scotland are engaging their partner consultants Jacob's to carry out the geotechnical study. They will study the whole slope adjacent to the A9 on the harbour approach with

a view to looking for improvements that could be implemented quickly, possibly drainage related, possible slope monitoring and also for further longer term measures to stabilise the slope.

The study work is about to start. In the meantime they maintain a reactive situation with the priority being to get the road open.

**CTF(2018)M001/A014** – *David Swanson to provide Marco Bardelli with additional information on A99 incidents during severe weather* **ONGOING**

Marco was provided with this information.

Marco noted that he would check back through the records and come back with information on what action had been taken.

**CTF(2018)M001/A015** - *Forum members to provide suggestions for A9 improvements once Berriedale works complete.* **ONGOING**

Some suggestions given were; Castle Hill corners, Cambusavie and Loth. David Swanson encouraged the Forum members to provide further suggestions should they occur.

**CTF(2018)M001/A016** - *Daniel Laird to provide details of upcoming Stagecoach consultation on changes to Caithness services.* **COMPLETE**

Details of the events were provided and circulated to the Forum members. An update on the proposals was presented by Daniel (see Stagecoach update below).

**CTF(2018)M001/A017** - *Daniel Laird to feed back on proposed Stagecoach fleet changes.* **ONGOING**

Daniel will provide information when this is available.

**CTF(2018)M001/A018** - *Daniel Laird to provide timescale for contactless payment rollout in area.* **COMPLETE**

Daniel updated that contactless rollout is now complete and live in the North of Scotland with 7/8% contactless. Greater interest has been received from the Tourism sector. There has been some teething problems with different currencies but they are looking at the payment processes.

**CTF(2018)M001/A019** - *Chamber to query with Eastern on business case / impact for Sunday service.* **COMPLETE**

This action has now been superseded by the withdrawal of the Sunday service.

## 4. Matters Arising

4.1 There were no matters arising.

## 5. Transport Updates

### 5.1 ScotRail Alliance

5.1.1 On the whole there has been a decline in performance in the Kyle area with more train issues. Two units were broken down in Wick and returned to Inverness for repair.

5.1.2 Usual animal strikes continue.

5.1.3 PPM is stable, regarding the 158 fleet this is nothing of concern.

5.1.4 David Swanson added that the Far North Review Team are due to hold their final meeting, following which the report is due to be submitted to the Minister. This report includes fairly significant works including level crossings and speed restrictions. ScotRail are due to bid for a new timetable for the Far North Line following completion of these works, with a focus on resilience rather than journey time improvements

### 5.2 Direct Rail Services

5.2.1 A written update was provided by Direct Rail Services (see **Appendix 1**)

5.2.2 A discussion took place regarding timber coming out of Caithness and Sutherland and David Swanson took an action to speak with Frank Roach at HITRANS to give a report about where this stands.

**CTF(2018)M002/A001** – *David Swanson to follow up with Frank Roach at HITRANS on progress of timber transport by rail*

5.2.3 There was some discussion of the possibility of rail freight of pipes for new contracts at the Subsea 7 Wester site – Kenny Hurst confirmed that Subsea 7 intend to use the Georgemas railhead for this.

### 5.3 Berriedale Braes

- 5.3.1 Marco Bardelli noted that - dialogue with three tendering companies continues. It currently looks likely that transport management systems will be in place for two weeks and road closures will take place over two nights – this will be confirmed nearer the time.

### 5.4 Highland Council

- 5.4.1 Jonathan Gunn noted that at present all men are working on maintenance including verge cutting and pothole repairs, once the budget has been confirmed they will move to other issues.

### 5.5 BEAR Scotland

- 5.5.1 Marco Bardelli reported good progress in areas, the A9/A99 is significantly better.
- 5.5.2 The latest Scottish Government programme mentioned the aspiration to make the A9 an “electric highway” – Marco Bardelli reported that no concrete plans on this were available at present, but that carbon and electric cars were most certainly in Scottish Government plans.

### 5.6 Stagecoach North Scotland

- 5.6.1 Public consultation meetings have taken place regarding the new service changes which will take effect from 20<sup>th</sup> August.
- 5.6.2 It is hoped these changes will enhance the town services in Wick and Thurso, X98/99 and 82. Changes to the 77 service have received criticism due to the fact the Gills area will be left completely unserved as this service will curtail at Keiss.

**CTF(2018)M002/A002** – *David Swanson to circulate information on proposed new services.*

- 5.6.3 Bill Mowat stated that Liam McArthur MSP has called a meeting with the Transport Minister regarding issues with the proposed changes to the 77 service.
- 5.6.4 Daniel Laird stated that they must maintain a sustainable business and this decision has not been a light-hearted proposal.
- 5.6.5 Daniel Laird agreed that more meetings/discussions need to be had, although this is not necessarily solely a Stagecoach problem and a multi-party conversation needs to be had.

- 5.6.6 Kathryn Scollie asked what the best way to lobby on this would be as she feels that her staff are directly/indirectly affected by this and it should go further than Stagecoach. It was agreed that Daniel Laird would feedback after the consultation period and discussions would then take place about the action going forward.

**CTF(2018)M002/A003** – *Daniel Laird to feed back to meeting after consultation has closed.*

- 5.6.6 Marco Bardelli asked whether a copy of the timetable could be made available to him to aid with planning for traffic restrictions during works on the Berriedale Braes.

**CTF(2018)M002/A004** – *Daniel Laird to provide copy of proposed timetable to Marco Bardelli.*

- 5.6.7 Long distance fleet will be made available for the X98/99 service. Stagecoach are also looking at other fleets to be released to the North of Scotland.

## 5.7 Scrabster Harbour

- 5.7.1 Sandy Mackie provided a comprehensive report which is attached as **Appendix 2**.
- 5.7.2 Sandy Mackie also raised the question of RET. A discussion took place regarding RET on the Northern Isle route. Scottish Government have advised that they are presently working with commercial ferry operators on the Pentland Firth with the aim of ensuring that they are appropriately compensated and involved in the fares reduction scheme. This has now been going on for 6 months and unless agreement is found it is likely that the scheme may be introduced in other areas and not on the Northern Isle route.
- 5.7.3 Kathryn Scollie stated that RET would only be given on passengers and cars not on freight, motorhomes and vans, there this would hopefully benefit stop overs. It was noted that any introduction would come too late for the current tourist season.
- 5.7.4 Kathryn Scollie advised that their lawyers have taken this issue to the EU Commissioner. They have had no correspondence with Transport Scotland since last week. Kathryn advised that they want to welcome this initiative but were not given the same offer as Serco. Kathryn also advised that this initiative would run for a trial period until October 2019 and noted that the offer as presented contained clawback provisions should the trial not be taken forward after this date.
- 5.7.5 There was some discussion as to how the Forum should proceed with this in a way which satisfied all parties. It was agreed that David Swanson would draft a letter emphasising the need for a resolution to this issue to the Minister for Transport and Islands and circulate this to the Forum for approval.

**CTF(2018)M002/A005** – *David Swanson to write to Transport Minister urging resolution and noting that the area is in favour of RET introduction*

## 5.8 Gills Harbour

- 5.8.1 A written report was received and circulated to members (see **Appendix 3**).
- 5.8.2 Kathryn Scollie delivered a brief update on progress with the new Pentland Ferries vessel, noting that they hope to have this operational on the route for next year's tourist season.

## 5.9 Serco NorthLink Ferries

- 5.9.1 No updated was received from Serco North Link Ferries
- 5.9.2 A written update was received from the Transport Scotland Ferries Policy Unit and can be viewed at **Appendix 4**.

## 5.10 Wick John O'Groats Airport / HIAL

- 5.10.1 William Sutherland stated that the Aberdeen Sunday service has been pulled and also the early Monday morning and Friday day time flight.
- 5.10.2 William Sutherland noted that before the above happened they were beginning to break even through chartered flights not scheduled flights. April's figures we up at 95 passengers, mostly due to chartered flights).
- 5.10.3 William Sutherland stated that the decision regarding Air Traffic Management system will be made in July and he called for lobbying to continue. It was noted that Cllrs Nicola Sinclair and Matthew Reiss were planning to visit HIAL to discuss these issues in person.
- 5.10.4 William Sutherland noted that the BOWL contract was nearly there, and a meeting is to take place imminently. This contract is due to be in place by the start of August.

## 6. Any Other Business

- 6.1 Bill Mowat raised issues with signage and access to historic monuments in the area, in light of increased tourist numbers. It was agreed that David Swanson would make contact with the appropriate person in Highland Council to see if this discussion can be taken forward.

**CTF(2018)M002/A006** – *David Swanson to speak with Highland Council to make a contact to discuss the issue of signage and access to historic monuments*

## 7. Press Communications

- 7.1 It was agreed that press communications should focus on the Scrabster developments, the new Pentland Ferries ship, upgrading of road surfaces and ongoing work.

## 8. Date of Next Meeting

- 8.1 The next meeting is scheduled to take place on **Wednesday 5 September** in Wick.

## 9. Actions ongoing from previous meetings

**CTF(2018)M001/A002** - Frank Roach to provide further information on economic benefit of Midnight Train to Georgemas project once available. **ONGOING**

**CTF(2018)M001/A003** - Frank Roach to provide details of freight trial once available. **ONGOING**

**CTF(2018)M001/A005** - Frank Roach to provide details of station analysis once carried out. **ONGOING**

**CTF(2018)M001/A008** - Marco Bardelli to provide details of traffic management plans for Berriedale. **ONGOING**

**CTF(2018)M001/A009** - Jonathan Gunn to provide details of Highland Council programme of works for next financial year. **ONGOING**

**CTF(2018)M001/A010** - Jonathan Gunn to feed back on what impact winter overspend will have on rest of Highland Council road programme. **ONGOING**

**CTF(2018)M001/A011** - Marco Bardelli to provide details of BEAR Scotland programme of works for next financial year. **ONGOING**

**CTF(2018)M001/A012** - Marco Bardelli to provide details of study on stopping places on A9. **ONGOING**

**CTF(2018)M001/A014** – David Swanson to provide Marco Bardelli with additional information on A99 incidents during severe weather **ONGOING**

**CTF(2018)M001/A015** - Forum members to provide suggestions for A9 improvements once Berriedale works complete. **ONGOING**

**CTF(2018)M001/A017** - Daniel Laird to feed back on proposed Stagecoach fleet changes. **ONGOING**

## **10. Actions arising from this meeting**

**CTF(2018)M002/A001** – *David Swanson to follow up with Frank Roach at HITRANS on progress of timber transport by rail*

**CTF(2018)M002/A002** – *David Swanson to circulate information on proposed new services.*

**CTF(2018)M002/A003** – *Daniel Laird to feed back to meeting after consultation has closed.*

**CTF(2018)M002/A004** – *Daniel Laird to provide copy of proposed timetable to Marco Bardelli.*

**CTF(2018)M002/A005** – *David Swanson to write to Transport Minister urging resolution and noting that the area is in favour of RET introduction*

**CTF(2018)M002/A006** – *David Swanson to speak with Highland Council to make a contact to discuss the issue of signage and access to historic monuments*

# Appendix 1 – Direct Rail Services

## **DRS Update - Caithness Transport Forum**

June 2018

DRS continue to support the NDA with their mission to deliver 'safe and sustainable solutions to the challenge of nuclear clean-up and waste management of the UK's nuclear legacy'. Work in relation to the Exotics Programme continues and DRS are also working with MOD to commence Fuel Movements between MoD Vulcan and Sellafield.

### **Georgemas Trial**

DRS continue to work on the commercial train trial to Georgemas. The trial is still on target for delivery in the summer and as soon as a date can be confirmed it will be shared with you. The trial will demonstrate the full capability of the rail terminal.

Kind regards,

Rachael Storey

Communications & Marketing Manager

# Appendix 2 – Scrabster Harbour



**CAITHNESS TRANSPORT FORUM 13th JUNE 2018**

## **SCRABSTER HARBOUR UPDATE**

### **1. TRAFFIC STATISTICS**

We are now well into the new financial year. The overall traffic statistics for the previous year 2017-18 ending on 31<sup>st</sup> March were as follows:

- Total Vessel arrivals 2,302 compared with 2,211 in 2016-17
- Total vessel tonnage 8.368 million tonnes compared with 8.568 million tonnes in 2016-17
- Ferry Passenger numbers 147,183 up 10% on the previous year
- Cruise passengers 4,350
- Fish box landings 292,523 but significant increase in landing values
- Increase in general and oil and gas cargo but decrease in fish cargo, renewables and tanker cargoes

Overall an exceptional trading period with port revenues totalling £3.8 million, record revenues for the fourth successive year.

### **2. FERRY**

The Transport Minister, Humza Yousef, announced on 24<sup>th</sup> May that the next Northern Isles Ferry Service contract will be subject to competitive tendering rather than direct award. The contract will be awarded during the summer of 2019 and Transport Scotland will start the procurement process in June 2018.

With regard to the specification of the next contract, Transport Scotland published a report by Peter Brett & Associates in March 2018 setting out some possible options. The Trust has responded directly with the Transport Minister regarding the report

Similarly we have made representations to the Transport Minister regarding the delay in the introduction of Road Equivalent Tariff (RET) on the Northern Isles route. Scottish Government have

advised that they are presently working with the commercial ferry operators on the Pentland Firth with the aim of ensuring that they are appropriately compensated and involved in the fares reduction scheme. This appears to have been going on for over six months now.

At a recent Ports meeting, the Transport Minister advised that unless an agreement is reached soon with the commercial ferry operators, he was minded to introduce RET on the Aberdeen routes only.

Based on experience elsewhere, the introduction of RET on the Scrabster - Stromness route would bring immediate economic benefits to the communities of Caithness and Orkney. However it would appear that the private ferry operators have a right of veto on whether RET is applied.

### **3. CRUISE**

The 2017 cruise season begins in May with the visit of the Astoria, this was quickly followed by unscheduled call by the Hamburg due to weather conditions on the West Coast. The Island Sky called last Saturday. In total we are expecting 13 calls this year and have ten vessels confirmed for 2019.

### **4. DEVELOPMENTS**

As previously advised The Trust is progressing plans for the next stage of infrastructure development focussed on the existing St Ola Pier. With NDA support, a Marine Civil Engineer RPS of Belfast was appointed in April to develop the project.

The favoured layout has the following characteristics

- Uniform pier 32 metre wide, 9,565 m<sup>2</sup> of pier working area
- Two parallel full length berthing faces, approximately 250m long, provided in the inner and outer basins. The outer face would be capable of berthing a 250 metre long cruise ship of up to 65,000 GRT.
- Water depth at inner face 7.5 metres, water depth at outer face 9 metres

The project budget is currently assessed at £15 million.

The Trust will be happy to share more details with stakeholders in due course.

**12<sup>th</sup> June 2018**

# Appendix 3 – Gills Harbour

## REPORT FROM GILLS HARBOUR Ltd, KW1 4YB, FOR CAITHNESS TRANSPORT FORUM, 06.2018.

- 1) Gills Harbour, which was identified by officers of Audit Scotland, in its report of Autumn, 2017, as the busiest Caithness terminus for the Orkney Islands' traffic for both passengers and vehicles, continues to enjoy brisk trade with the 2018 tourism season now commenced with MV *Pentalina*, on her year-round thrice-daily crossings.
- 2) Mr Andrew Banks, OBE, MD of family-owned Pentland Ferries Ltd that re-opened the ancient 'short-sea route' across the Pentland Firth in 2001, has a larger, brand-new (c. 85 metres) catamaran , vessel for the route being fabricated at Strategic Marine Ltd's shipyard in Viet Nam. He was in SE Asia recently overseeing her construction.

On return, he reported that the yard had claimed delays in arrival of essential major components from a variety of countries meant that the UK-designed vessel would miss the main current tourism season, with sea-trials in the Pentland Firth now not expected to commence till early Autumn, 2018.

- 3) Pentland Ferries Ltd's Gills-based small 'direct labour squad' members have been busy working towards completion of the 200 m. long breakwater-berth at Gills and west-side sea-defences there. the latter was recommended by officers of Scottish Government agency Marine Scotland.

Pentland Ferries receives no UK taxpayers' subsidies for its operational nor construction activities at Gills, nor is there any public-sector financial support for its new vessel

**4) Gills Harbour Ltd, the local community body that owns the Gills Bay facility on the shore of the Firth's Inner Sound, is expecting to imminently take delivery of the Gills Harbour Report. (end5 or early 6/2018).**

**It commissioned this from eminent economist Mr Tony Mackay, of Inverness, whose fore-bearers were active in Wick's fishing industry for several generations.**

**The Mackay Report relates mainly to the future of Gills Harbour's Inner Basin and is expected to recommend three primary uses for it once it has been upgraded as proposed in earlier practical studies conducted in 2016/17 by the Environmental Research Institute, at Thurso's UHI Campus and other professionals.**

**It is expected to suggest that the Canisbay port company concentrates on the Inner facility as a base for a) sustainable fishing, including shell-fish for vivier-truck transport to European markets b) providing all weathers supply etc. base for work-boats operating in the Inner Sound and at other locations in the Eastern Pentland Firth and at c) the leisure sector. This latter could include Gills as a land-base for yachtsmen and women sailing a marine equivalent of the popular 'NC 500 road-route' or as a base for Caithness (or other) companies/individuals providing a service to visitors.**

**5) The directors of Gills Harbour Ltd have congratulated Wick-based civil engineer Mr Jonathan Gunn and his staff with the Highland Council's roads team in successfully ... and quickly... plugging with concrete a small 'sink-hole' that had appeared close to the North edge of the carriageway of the Harbour's access spur-road from the A 836 route.**

**6) They also noted that the harbour area was being designated 'The Gills Bay Economic Development Zone' in the Highland Council's Caithness & Sutherland Local Plan (CaSPlan), likely to be adopted in Autumn 2018. This follows the recent 300-page appraisal of the draft CaSPlan by the Falkirk-based Scottish Government 'Local Planning Reporters Unit'.**

**Ends.**

# Appendix 4 – Transport Scotland Ferries Policy Unit

## Caithness Transport Forum – 13 June 2018

### Northern Isles Ferry Service Contract Extension

An 18 month extension to the current Northern Isles Ferry Services contract has been agreed. The extension was agreed to allow progress to be made with the Procurement Policy Review which has recently concluded. As reported, Serco NorthLink Ferries will continue to operate the Northern Isles Ferry Services from 25 April 2018 until 31 October 2019.

### Procurement Policy Review

*“I have concluded that the next Northern Isles Ferry Services contract should be tendered as soon as practicably possible. Taking the decision now to tender the Northern Isles Ferry Services should provide sufficient time to complete what will be a high-value and complex procurement before the current extended contract expires in autumn 2019. Delaying the decision would serve only to put the continued delivery of the ferry services at risk, which is something that I am simply not prepared to do.”*

Humza Yousaf MSP Minister for Transport and the Islands  
Scottish Parliament  
24 May 2018

The Minister confirmed on 24 May that the next Northern Isles Ferry Services contract will be tendered as soon as is practically possible. The decision follows detailed Ministerial and official engagement with communities, business interests and other key stakeholders. Competitive tender will give long term confidence to ferry users, communities and employees. Tender will strive to deliver a contract that is aligned with the specific needs of the Northern Isles communities.

### Next Steps

- Options within the recently published STAG study will help inform the specification of the next Public Service Contract.
- It is essential that the tender delivers a contract that is clearly aligned with the specific needs of the Northern Isles and North East of Scotland communities and business sectors and which delivers value for money to the taxpayer.
- Engagement will continue with local communities, business stakeholders and trade unions.

### **NIFS Vessels**

The future of the three passenger ferries serving the Northern Isles has been secured, with a deal agreed for Caledonian Maritime Assets Ltd (CMAL) to purchase the vessels outright with loan funding from the Scottish Government. The MV Hamnavoe, MV Hrossey and MV Hjaltland previously leased from Royal Bank of Scotland, are now owned by CMAL on behalf of the Scottish Government. CMAL now charter the vessels to the current ferry operator, Serco NorthLink Ferries, until the end of the current contract. The terms for purchasing the vessels are commercially sensitive.

### **RET on the Northern Isles**

2016 Manifesto commitment to take action to reduce fares. The Minister announced in August 2017 plans to introduce reduced passenger and car fares within the first half of 2018 on Northern Isles. Transport Scotland is working with commercial operators to seek to reach an agreement to ensure no distortion of existing market to comply with Competition law. Details will be made available as soon as possible.

### **Northern Isles Scottish Transport Appraisal Guidance (STAG)**

Transport Scotland commissioned independent transport specialists to undertake a comprehensive transport appraisal which was published on our website on 25 April and sent to stakeholders. The report sets out the supply-side options considered to provide additional capacity to alleviate the expected pressures, such as additional daytime sailings, but the options for the Aberdeen routes appear to be challenging. Further work is still required to define a specification for the next Northern Isles Ferry Services contract. Transport Scotland has received comments on the report from the Working Group. The group met on 30 May, where the Transport Scotland Procurement team explained the tendering process and plans to set up stakeholder groups to discuss the specification.

### **MV Hamnavoe Dry Dock**

The MV Hamnavoe completed her period of essential dry dock at the start of 2018. Serco NorthLink Ferries endeavoured to ensure that any disruption was kept to an absolute minimum. Contingencies included, additional sailings cascaded from Kirkwall, the bed and breakfast offer being maintained on the MV Helliard, chartering the MV Arrow to operate on the Aberdeen services and proactively advising customers of the alternative options available.

### **Freight Fares Review**

Transport Scotland, under guidance of a Working Group of key stakeholders, is currently conducting a comprehensive review of ferry freight fares. The existing fares structure is extremely complex and we have always been clear that there is no definitive commitment on timing. Review has been conducted on cost neutral basis. No additional funding is available. Officials have been conducting further analysis to assess the impact of any potential changes on individual fares, hauliers and sectors, with regular discussions and advice to Ministers. We understand that this piece of work is eagerly awaited and further details will be made available once conclusions have been reached and decisions made.

### **Orkney / Shetland Internal Ferries Funding**

Additional resource support of £10.5m has been made available for the financial year 2018/19 for Orkney (£5.5m) and Shetland (£5m) internal ferries. Councillors have indicated that they are content with this. These ring-fenced resource grants will be administered by Transport Scotland and will form part of the overall local government finance settlement for 2018/19. Future on-going dialogue between Councils and Transport Scotland will be taken forward through the established working group, with appropriate Ministerial oversight