

## **Report to Partnership Meeting 26 April 2024**

### **CONSULTATION**

#### **CHFS 3**

#### **Purpose of Report**

To share with Members the response submitted by HITRANS to Transport Scotland's Consultation on the third Clyde and Hebrides Ferry Service.

#### **Clyde and Hebrides Ferry Service Contract (CHFS 3)**

The Minister for Transport provided a statement to Parliament on 16 November 2023 regarding the Clyde and Hebrides Ferry Services contract. The current contract expires on 30th September 2024 and, as part of a range of measures designed to improve our ferry services, an exploration of a direct award via a Teckal exemption in accordance with the Public Contracts (Scotland) Regulations 2015 to CalMac Ferries Ltd is the Scottish Ministers' preferred direction for the new contract.

#### **Consultation**

A formal public consultation launched in December providing a further opportunity for communities and stakeholders to contribute their views. The consultation period ran until 8 March 2024. The Consultation was supported by a consultation document that presented questions on the following areas of service and contract delivery:

- Reliability and Resilience
- Capacity and Demand
- Community Voice, Transparency and Accountability
- Carbon Reduction and Environmental Impact
- Onward and Connecting Travel
- Accessibility
- Freight Services
- Monitoring and Review

It was agreed at the February Partnership meeting that officers would prepare the HITRANS response and seek approval electronically from Members giving time for comments and edits to be made before submitting the final response. The response was submitted before the 8 March 2024 deadline and is enclosed as an Appendix for this report for noting and publication on the HITRANS website.

#### **Risk Register**

##### RTS Delivery

Impact - Positive

Comment – The CHFS 3 process and Consultation offer an opportunity to shape ferry services to help deliver better outcomes for lifeline transport links.

#### Policy

Impact - Positive

Comment – Ferry services are a critically important part of the Highlands and Islands transport system and the opportunity to improve their delivery is important.

#### Financial

Impact – Neutral

#### Equality

Impact – Positive

Comment – Improving ferry service accessibility is an important part of the Consultation.

#### **Recommendation**

1. Members are asked to note the report.

<b>Report by:</b>	Ranald Robertson
<b>Designation:</b>	Partnership Director
<b>Date:</b>	15 <sup>th</sup> March 2024
<b>Background Paper:</b>	Appendix – CHFS3 Consultation Response

## APPENDIX A – HITRANS Response to CHFS 3 Consultation

### 1. Reliability and Resilience

Community feedback highlighted that the resilience & reliability of ferry services needs to be addressed as a priority due to the impact on business & communities when ferry services are disrupted.

Q1. Do you think that the current performance measures of the ferry services are the right ones:

No

Please explain your answer

The Performance Measures used to monitor performance are entirely designed around the application of penalties against contractual performance. They have no value in terms of capturing how well the service is delivered to the passenger whose only useful measure is performance against timetable. The current approach is to allow for publication statistics after a large number of permitted justifications for late running, cancellation at a journey level or even the entire cessation of service on a route being factored in.

The only published performance measure should follow the same approach to performance as is required in the delivery of the Rail services. For the ScotRail contract the Public Performance Measure provides a transparent system of capturing true performance measuring both punctuality and reliability. This system measures the percentage of trains which arrive at their terminating station 'on time' compared to the total number of trains planned. A ScotRail train is defined as on time if it arrives at the destination within 5 minutes (i.e. 4 minutes 59 seconds or less) for long distance services including the 3 hours 10 minutes journey from Oban to Glasgow or the 5 hour 34 minute journey from Mallaig to Glasgow. Under PPM when a train fails to run its entire planned route it counts as a PPM failure. This system properly reflects the passenger experience and a poor PPM score is likely to also reflect passenger dissatisfaction.

For bus services the Traffic Commissioner is empowered to act when buses fail to meet the performance standard required for the operation of a registered service. This requires that 'Buses should not depart from starting points and registered principal timing points more than 1 minute early or more than 5 minutes late or arrive at the final destination point more than 5 minutes late. In general, 95% of buses should meet this standard.'

The performance published under CHFS allows for much less onerous adherence to timetable than for rail services of similar length with a service on a crossing such as the 1 hour 45 minute crossing from Tarbert to Uig being considered on time if it arrives 14 minutes and 59 seconds late. The CHFS contract also allows for 'relief events' that are not counted within the published information. These relief events include sailings which were cancelled due to bad weather, in accordance with safety procedures, delays due to the unavailability or operational restrictions of harbour facilities or having to wait for the arrival of other public transport connections. Relief events also include the wholesale cancellation of service to redeploy the vessel elsewhere as experienced for nearly a month in 2023 for those trying to travel to South Uist from Mallaig. While the sensible consideration of relief events before the application of a contractual performance measure is necessary given the challenging weather conditions that can be experienced on the CHFS network these should never feature in the published measure of performance. That the published statistics are so different to the performance experienced by passengers can only be a contributing factor to passenger frustration and dissatisfaction.

The consultation document does not include a detailed breakdown of current performance measures which we believe limits the value that will be achieved from the consultation. It would be easier for people to comment on the current system if it was detailed in the document and the rationale behind it should also be made clear and contrasted with the application of performance measures for other modes.

Q2. Are there any additional or alternative performance measures that you think could be introduced to improve resilience and reliability of ferry services?

Yes

Please give us your views

As detailed above the published performance statistics for other modes much more closely reflect the passenger experience than the measures used for CHFS. We would recommend the adoption of a standard more closely matched to the Rail Public Performance Measure in the future for all published ferry performance data. For those crossings over 2 hours in duration the measure of on time should be an arrival 10 minutes (i.e. 9 minutes 59 seconds or less) within the published arrival time. For crossings under 2 hours the measure of on time arrival should be 5 minutes (i.e. 4 minutes 59 seconds or less) within the published arrival time.

It is important that the communities served by CHFS are at the heart of framing the Performance Measures and these should be considered and agreed through the Ferry Committees, Ferries Community Board, Ferry Stakeholder Groups and Local Authorities.

## **2. Capacity and Demand**

Fares have significantly reduced and made Scottish Islands more accessible to everyone through the Road Equivalent Tariff (RET) however, we understand there is a balance to be struck between vessel capacity and passenger demand, therefore we need to find a better way to manage the number of users and the available space.

Community feedback has highlighted the high demand for ferry services during summer. Therefore, there is a requirement to consider the balance between capacity and demand to ensure car spaces are available to make essential or urgent travel.

Q3. We know that vehicle space capacity is at a premium during peak time sailings. Do you have any suggestions that could be introduced to reduce vehicle space demand?

Yes

If yes, what are your suggestions?

The introduction of Road Equivalent Tariff has seen significant success in growing demand for travel on the CHFS networks. That this success was not reinforced with the timely replacement of new vessels to replace life expired tonnage or to increase frequency has left a perception that this increased demand for travel on the network is a bad thing. It is important to recognise the economic benefits stimulated by this fares policy intervention and ideally this should be quantified before any changes to policy are introduced. The impact of the eagerly anticipated 6 new major vessels into the CHFS fleet should also be understood as it is important that demand is not suppressed at a point that capacity is increased with a consequent economic cost to fragile island economies.

With the above in mind there is a clear issue of peak demand both seasonally and on particular journeys on certain routes. Work by HITRANS in partnership with Outer Hebrides Tourism captured hard data on an individual service basis where the ability to book in advance risked impeding travel to the islands served by CHFS. Contrasting availability some weeks in advance with availability on the day of travel showed that often where sailings that were shown to be full when people were planning leisure or business travel, these same sailings became available closer to sailing time. Therefore, the next CHFS contract should see greater emphasis on reducing this issue. Any punitive measures must be introduced with support of communities and key island stakeholders though.

For any consideration of surge or peak pricing again we would advocate that this is taken forward in collaboration with local authorities, ferry committees, Ferries Community Board, Ferry Stakeholder Groups and key stakeholders. Only on routes with multiple alternative journeys on the same day should any single sailing be considered for seasonal peak tariff application. Where only one or two daily return sailings are operated on a route there should be no application of peak tariffs at any time. Where fewer than five daily return sailings are operated on a route the application of a peak tariff should not apply to more than one set or return crossings (an inward and outward service).

Coordination of timetabling should be considered and optimised where multiple routes serve the same greater community to ensure that the options presented to passengers offer real choice.

Q4. To reduce the number of cars on deck at peak times, would you be willing to travel to and from a port using public transport?

Yes

If no, please explain your answer

HITRANS would encourage and support a reduction in car km that would be facilitated by improving public transport connectivity to and from ferry terminals. To achieve a real shift in travel behaviour public transport connectivity would need to improve significantly at both the island and mainland side of the journey. This could be achieved by providing dedicated funding to public transport authorities to plug gaps in the public transport networks.

Where ferry services are well served by public transport the connecting transport services are generally well used. This is evident where train to ferry and ferry to coach connectivity is good at locations such as Oban and Ullapool. Even where there are good onward public transport services on the mainland side a lack of similar connectivity on the island side can lead to people travelling with vehicles for the entire journey. For instance, the journey time to Stornoway Ferry Terminal can be as long on the island side from settlements such as Leverburgh, Ness and Uig as the journey to Inverness from Ullapool.

Q5. To reduce the number of cars on deck at peak times, would you be willing to travel to and from a port using active travel modes (walking, wheeling, cycling)?

Yes and No

If no, please explain your answer

Where the journey originates within a reasonable walk or wheel to the ferry terminal active travel should be made as easy as possible and many people would choose this option. However, the end-to-end journey is rarely a short distance from both ends of the ferry

service so it is likely that an active journey would need to be complemented by good public transport provision at the other end of the ferry journey.

To encourage active travel a focus on improving the infrastructure on the journey for those walking or wheeling to / from every ferry terminal to the nearest population centre should be considered as a priority in the planning of active travel investment. This should include recognition of the importance of removing barriers and improving accessibility for those with mobility impairments.

Q6. Should operators be required to hold dedicated vehicle deck spaces on busy routes for the use of island residents and key worker personnel required to travel at short notice?

Yes and No

If no, please explain your answer

The need to hold back capacity as recognised in the question suggests an acceptance that an inability to travel to and from islands in the same way that one might travel to destinations in the mainland is acceptable. This is the result of constrained capacity in the ferry system which while seasonal does mean that access to and from islands is constrained not by demand but by the ferry.

If we are to accept that the ferry system cannot meet demand then consideration of the opportunity to hold back further capacity for short notice travel as described should be considered on a route-by-route basis in collaboration with the communities themselves and their representatives. Holding back further capacity in an already constrained environment risks passing on an impact to the wider economy as it implies a reduction in capacity for those booking further ahead which is likely to largely be visitors planning their holidays in our islands whose travel if displaced to mainland destinations instead of islands will mean a negative economic impact to the island tourism economy.

Any introduction of a system of holding back deck space within the booking system should be data driven to recognise those individual sailings where capacity is likely to be constrained at short notice. It should also be considered alongside a system that manages commercial block bookings better.

The medium to long term solution to the problem addressed by holding back deck space as described would be to increase the fleet of vessels potentially with more smaller ferries to deliver multi vessel route operation in the summer. This would allow a reduction in capacity in the winter while still maintaining appropriate timetables while allowing a much more robust service to be provided during the winter dry dock maintenance process. This would also mean greater potential to move to a lower carbon ferry system sooner with vessels being more efficient and in lower demand seasons of the year the overall capacity on each route will better match demand and landside infrastructure will not need to have such an environmental impact as is the case if we continue to address constrained summer capacity by building ever bigger vessels rather than increasing frequency and island accessibility.

### **3. Community Voice, Transparency and Accountability**

Community feedback suggests there could be more dialogue and consultation carried out across the network, giving local communities a better opportunity to provide feedback, which will aid decisions related to ferry services.

Community feedback highlighted that ferry services need to be appropriately timetabled to balance the needs of different users.

Q7. How could communities be provided with a stronger role in providing input on ferries related decisions?

Please give us your views

There is significant room for improvement in terms of how empowered island communities are in the delivery of lifeline ferry services.

The absence of adequate or appropriate representation from people living on islands that depend upon CHFS services on the Board of Directors of David MacBrayne Group / Calmac and CMAL is widely believed to be a significant factor that contributes to a sense of remoteness and distance between the CHFS operator and the communities they serve. Whether this is real or perceived it is a fact that is widely recognised in representations made by communities and their elected representatives to Scottish Government through consultations and Inquiries by Scottish Parliament Committees and elsewhere. Comhairle nan Eilean Siar have noted in their response to a Net Zero, Energy and Transport Committee Inquiry into Ferry Services that the Isles of Scilly Transport Group are able to draw on experienced and qualified Board Members with island residents making up about 50% of the Board. This despite the Scillonian population being less than that of Harris. With a much larger island population served by CHFS it would seem reasonable to think that the necessary skills and experience could be found within these Clyde and Hebridean islands who rely on CHFS for lifeline connectivity to populate the Board of Directors to whom the management of the services would be accountable.

CHFS 2 included a commitment to having greater emphasis on community engagement and a contractual requirement was that the successful bidder would appoint a Community and Stakeholder Engagement Manager. In the event Calmac Ferries Limited appointed a Community and Engagement Director but were permitted by Transport Scotland to remove this role a number of years into the contract. This was a backward step and should be remedied with a requirement that the postholder when appointed must be based on the island side of the network. This would be a positive step that should be followed incrementally when a management vacancy arises so that the involvement in operational decision making of island residents is increased.

Timetable consultation should be widened to encourage as much community engagement as possible rather than a restricted system where the input is sought only through listed committees. Good ideas should be encouraged from all quarters through the invitation through a web portal of comment on Timetables. The timetable process should be transparent and open to all to see so everyone in the community can understand why timetables are set in the way that they are.

Ferry Committees, Community Councils and Local Authorities should have their role in all aspects of consultation strengthened.

The independent Ferries Community Board should be recognised for its excellent contribution and it should be appointed by Scottish Government moving forward with no input from the CHFS Operator. The Secretariat function should also be provided by Transport Scotland. The FCB should have a mechanism to provide direct feedback to Transport Scotland on matters pertaining to the contract.

Ferry Stakeholder Groups should be strengthened with a clear regional strategic input to the CHFS contract.

Q8. Are there ways in which Operators' engagement with local communities can be improved?

Yes.

Please give us your views

Covered in the response to Q7 above.

Q9. Is the Ferries Community Board representative of island populations?

Yes

If no, please explain your answer

The Ferries Community Board is representative of island populations. Consideration should be given to ensuring that as the FCB Board Members reach the end of their term they are replaced by a member from an island not previously represented on the FCB.

The Ferries Community Board should have a requirement to have a permanent Member appointed who is under the age of 22 to ensure young people are represented.

Getting the balance between representation and manageable Board size right is difficult. If economic sector input to ferry services is improved at a sector level, then that would address how these interests input but as things stand it is important that the FCB continue to include some representation from key sectors such as tourism, agriculture and aquaculture.

Q10. Does the Ferries Community Board reflect your interests for the next contract?

Yes

If no, please explain your answer

The Ferries Community Board does a very good job of representing a wide range of interests and advocating for island communities. The Board itself has recognised the need for it to assert its independence from Calmac and the next CHFS contract should reflect this by moving the FCB into an independent role with no input from the operator to the Secretariat and Appointment of Board Members. Transport Scotland should support the FCB in the way they provide support to similar forums including MACS (Mobility and Access Committee for Scotland).

The FCB has an important role and voice in the ferry system but it should not be the only platform for engagement on ferry issues. It is important that the role of Local Authorities, Regional Transport Partnerships and representatives of key sectors is recognised much better than has been the case through CHFS2. In reviewing governance structures the opportunity to move to regional governance of ferry service contracts including CHFS should be explored.

Q11. Should communities have greater say in the development of timetables, so they suit the needs of ferry users?

Yes

Please explain your answer



As detailed in the response to Q7 above timetable consultation should be widened to encourage as much community engagement as possible rather than a restricted system where the input is sought only through listed committees. Consideration of web-based tools to support consultation could be a step forward.

Where communities are able to prove a strong socio-economic benefit would accrue from improving timetables and that this would be greater than the cost to deliver the service enhancement this should be looked at by Government in terms of the positive impact this would have in the context of the National Performance Framework not just as a cost to Transport Scotland under CHFS.

#### **4. Carbon Reduction and Environmental Impact**

We are making good progress towards a net zero future; however, low carbon ferry engine technology is still being developed so we need to think of alternative ways to reduce our carbon footprint and our impact on the environment.

Q12. In what ways can ferries reduce their carbon emissions in line with Net Zero targets?

Please give us your views

The challenge of decarbonising ferry services is significant. The planned investment through the Small Vessels Replacement Programme is a positive step that will see a move towards increased use of battery electric technology.

Elsewhere in Europe, Battery Electric Technology has already been deployed on longer crossings with vessels operating routes that share characteristics in terms of crossing length of some major CHFS routes. This technology should not be discounted for routes with a crossing time of up to 60 or 90 minutes.

Other fuel technologies that might become practicable for the decarbonisation of the major CHFS vessel fleet include ammonia, methanol and hydrogen.

Q13. Would you consider reducing your car use when travelling by ferry?

Yes

If no, please explain your answer?

#### **5. Onward and Connecting Travel**

Looking at how onward and connecting travel can be promoted will enable us to provide opportunities for better connectivity and ferry user-access via active travel, public transport, and other more sustainable transport modes.

Q14. What do you think could be introduced to improve public transport connectivity between ferries, rail and bus operators?

Please give us your views

As noted in the response to Q4 public transport connectivity could be significantly improved with all sailings ideally having the option of a public transport service to take them to their final destination. This would require funding to local transport authorities to support these services as they would already exist if there was a commercial case for them. The services do not

need to be fixed timetable or operated by large buses. There is potential to have demand responsive transport services operated by minibus or even taxi-sized vehicles.

Seamless purchase of multi modal ticketing should be available including the reinstatement of Rail – Sail ticketing which should be a condition of any contract award under CHFS3. Fares should encourage multi modal journeys and ideally this would include an incentive of reduced price on multi modal ticket purchase when compared with each individual leg of the journey being purchased separately.

Participation in the Mobility as a Service platforms supported by Scottish Government through the MaaS Investment Fund should be a condition of any CHFS 3 contract award and the provision of an API to these MaaS platforms that allows planning, booking and paying for travel on all CHFS services in the MaaS platform should be a requirement before any contract is awarded for CHFS3. The main MaaS platform covering the CHFS network is the GO-HI platform which already has a fully integrated API from Northlink Ferries but not for Calmac Ferries.

The availability of bike and ebike hire at ferry terminals would allow more active journeys to and from the ferry terminal. HITRANS has introduced Brompton Bike Hire lockers at Oban and Stornoway near the ferry terminals which offer passengers an option for onward travel.

Car Club vehicles located at ferry terminals would encourage more people to travel without the car on the ferry and offer an opportunity to improve how people visit islands when they could use the car club vehicle when they needed a car for longer trips on island but might walk, cycle and use public transport at other times.

The use of Connected and Autonomous Vehicles may be a feature in transport systems before the end of the CHFS3 contract period.

## **6. Accessibility**

Community feedback showed that some equality groups face additional challenges when accessing and using ferry services.

Q15. Would you support a regular accessibility audit taking place with accessibility groups such as Mobility Access Committee Scotland (MACS), with the aim of improving accessibility at ports and onboard vessels.

Yes

What else you think could be done to improve accessibility on our ferry services?

As referenced in response to Q5 and aligned to the Accessible Travel Framework Clear Pathways Workstream a focus should be given to removing physical barriers to persons with reduced mobility walking or wheeling to ferry terminals. RTPs and Local Authorities would be well placed to support addressing this barrier as a number of key settlements have been subject to active travel audits that identify barriers to walking, cycling and wheeling. An early action could be to undertake focussed audits of access to ferry terminals following the methodology developed for the HITRANS Active Travel Masterplans.

The HITRANS draft Regional Transport Strategy identifies the opportunity for HITRANS to work with Transport Scotland, CMAL and CalMac to develop design guidelines for port and ferry infrastructure to ensure that new port infrastructure investment follows a system of design guidance that meets the needs of all port users.

Fleet investment should include a strong emphasis on improving the accessibility of all vessels across the fleet.

## **7. Freight Services**

Feedback provided by the community has highlighted that freight bookings can impact available vehicle spaces on vessels.

Q16. Are there ways to improve the Operator's collaboration with hauliers and businesses to better plan commercial traffic volumes?

Please give us your views

Key sectors and hauliers could establish appropriate platforms to plan traffic volumes and help improve how the movement of goods is planned around ferry capacity. The Stewart Building Group in Shetland appears to have provided a successful format for this engagement with Northlink Ferries. Consideration could be given to replicating this model in CHFS, probably on a region-by-region basis recognising that an area such as the Western Isles is actually larger in terms of vessel movement and traffic volumes than NIFS.

Q17. Do you have any suggestions to better manage or reduce the demand on routes which experience high freight volumes?

Please give us your views

The framing of this question suggests a reduction in freight volumes could be desirable whereas the reality of this would be a reduction in economic activity in island areas. HITRANS want to support sustainable economic growth across the region and strongly believe the wellbeing of Scotland's economy needs our islands to thrive.

Where freight volumes are high on an individual route basis it might be feasible to provide dedicated freight services outside the CHFS contract. If a business case can be made that this will enable a lower-cost solution to the public purse and reduce pressure on the CHFS RoPax vessels this should be seen as a welcome measure to reduce pressure on the ferry service and release capacity on the CHFS vessels to passenger movements. Islay and Stornoway would appear to offer the greatest potential for this on the CHFS service.

Consideration might also be given to offering reduced freight rates on quieter sailings to encourage movement from busier sailings on to quieter ones. This already happens for the Stornoway freight service and it seems inequitable to offer this attraction to hauliers on that route alone but not to other routes on the network.

## **8. Monitoring and Review**

Feedback has highlighted that communities would like greater clarity and accuracy on performance reporting to be embedded within the next contract.

Community feedback indicates that the true passenger experience is not reflected in the way the operator reports performance.

Q18. Would you welcome the opportunity to provide feedback to improve services?

Yes

If yes, how often should this happen and how should this be conducted?

There should be an opportunity to provide feedback and seek to improve ferry services through the existing Ferry Stakeholder Group structure. Consideration to strengthening and resourcing this tier of consultative arrangement should be considered with the meeting frequency increased. The Secretariat function could transfer to Transport Scotland so it had a clearer role within the contract. The operator must also be compelled to support these meetings in the preparation and production of meaningful reports and attendance by appropriate staff.

Q19. Do you have any suggestions on how the Operator could provide a more accurate reflection of the passenger experience?

Please give us your views

We believe that the adoption of a meaningful performance reporting measure such as the Performance and Punctuality Measure (PPM) that applies to Rail services would ensure that the reported performance statistic more closely reflected the real-world passenger experience. This should be validated by on vessel and after journey surveying. Transport Scotland should consider whether it is they rather than the CHFS operator who should be charged with gauging passenger experience and leading on this analysis gathering. This could be supported by on-the-spot checks of areas of service delivery and performance. This approach would be similar to the Service Quality Inspection Regime (SQUIRE) in place for Rail services in Scotland that are supported by the Scottish Government.