

## Report to Partnership Meeting 12 September 2025

### CONSULTATION

#### CHFS 3 – Ferry Stakeholder Group Submission and Community Priorities

##### Purpose of Report

To update Members on the formal submission made to Transport Scotland by Ferry Stakeholder Groups outlining key community priorities and areas of concern for reflection in the proposed direct award of the Clyde and Hebrides Ferry Services (CHFS3) Contract to CalMac Ferries Ltd. The submission follows limited engagement by Transport Scotland at Stakeholder Group meetings in June 2025 and was subsequently submitted to both the CHFS3 procurement team and the Cabinet Secretary for Transport.

##### Clyde and Hebrides Ferry Services Contract (CHFS 3) – Stakeholder Submission

In June 2025, Ferry Stakeholder Groups met with Transport Scotland representatives as part of a limited engagement exercise on the proposed direct award of CHFS3. The format and scope of engagement were notably more constrained than during the CHFS2 process, prompting collective concern among stakeholders.

In response, a comprehensive submission was developed and formally issued by the Stakeholder Groups, including ferry user representatives, island community bodies and local authorities. The submission seeks to influence both the design of the final CHFS3 contract and the governance mechanisms supporting its delivery, with a focus on ensuring ferry services are more accountable, transparent, reliable and community-led.

The paper calls for the following critical areas to be embedded into CHFS3 as a condition of the proposed direct award:

##### Key Themes in the Submission

1. **Recognition of Unmet Demand and Travel Losses**  
A robust and transparent system must be introduced to monitor and report on unmet travel demand—including passengers unable to book, commercial freight displaced, and islanders deterred from travel. The data must inform investment and service planning, not just annual reports.
2. **Use of Islands Community Impact Assessments (ICIA)**  
The contract should require full integration of ICIAs into decision-making, with all outcomes published. This process must be more than tokenistic and actively influence service design and policy implementation.
3. **Protection of RET and Affordability Commitments**  
Fare increases, including the recent 10% rise, are seen as threatening affordability and suppressing demand. Stakeholders call for stronger protection of Road Equivalent Tariff (RET) principles, particularly for low-income islanders, and assurance that pricing is not used to mask capacity failures.
4. **Ten-Year Delivery Plan with Visibility and Accountability**  
The submission calls for a published 10-year plan with measurable targets, named

responsibilities, and mechanisms for adaptation based on community input. There is strong demand for early and ongoing community involvement in its development.

- Strengthened Governance and Democratic Oversight  
Stakeholders seek clarity on the governance structure of CHFS3 and request:
- Inclusion of ferry users and community representatives on oversight boards;
- Greater powers for Area Managers but with clearer lines of accountability;
- Consideration of local authority roles on governance panels;
- Creation of a CHFS Ombudsman role for independent complaint resolution.

### **Stakeholder Priorities – Headline Issues Raised**

- Why the direct award route was selected and what alternatives were considered;
- The need for route-level cost transparency and publication of subsidy allocations;
- Clarification of how lifeline status will be defined and safeguarded;
- New KPIs that go beyond basic reliability, including indicators for community impact, resilience, booking failures and unmet demand;
- Reporting on disruptions—including vessel availability, island disconnection days, and relief vessel use—at route level;
- Inclusion of island communities in operational decisions, including crew configurations, contingency plans, and vessel deployment;
- Improved multimodal integration and support for foot passengers, particularly during service disruption;
- Commitment to stakeholder co-design in the Five-Year Corporate Plan and ongoing performance reviews.

### **Consultation Context and Process**

The submission follows a limited presentation from Transport Scotland at the three Ferry Stakeholder Group meetings in June 2025. The paper reflects deep concern about the reduced level of stakeholder influence compared to CHFS2 and calls for this to be rectified ahead of the finalisation of CHFS3.

The stakeholder submission was shared with both the CHFS3 procurement team and the Cabinet Secretary for Transport. It is intended as a constructive and evidence-based contribution and is rooted in island communities lived experience of ferry service shortfalls, particularly in terms of resilience, reliability, and communication.

A full copy of the consultation submission is included as Appendix A.

### **Next Steps and Monitoring**

Transport Scotland have acknowledged receipt of the submission but have not yet confirmed how or whether the paper's contents will inform final contract terms.

Given the scale and scope of the submission, it is proposed that HITRANS continues to monitor developments closely and seek assurance from Transport Scotland that stakeholder priorities are not only noted but reflected in the final governance, reporting, and operational delivery arrangements.

### **Risk Register**

#### RTS Delivery

Impact - Positive

Comment – – *Aligning the CHFS3 contract with real community needs and expectations will help ensure lifeline services support sustainable transport delivery across the Highlands and Islands.*

#### Policy

Impact - Positive

Comment – *The stakeholder submission supports Scottish Government objectives on inclusive governance, decarbonisation, and island-proofed service design.*

#### Financial

Impact – Neutral

Comment – *While the submission highlights funding transparency, no direct financial implications for HITRANS arise at this stage.*

#### Equality

Impact – Positive

Comment – *The submission places a strong emphasis on affordability, accessibility, and addressing inequalities faced by islanders, in line with the Islands Act and Equality Duty*

#### **Recommendation**

1. Members are asked to note the submission made by Ferry Stakeholder Groups to Transport Scotland and the Cabinet Secretary for Transport.
2. Members are invited to support ongoing advocacy for stakeholder priorities to be embedded in the final CHFS3 contract.

<b>Report by:</b>	Ranald Robertson
<b>Designation:</b>	Partnership Director
<b>Date:</b>	28 <sup>th</sup> July 2025
<b>Background Paper:</b>	Appendix A – CHFS Questions Submitted through Ferry Stakeholder Groups (Attached as PDF)