

Report to Partnership Meeting 12 September 2025

CONSULTATION

Northern Isles Ferry Services Contract 4 (NIFS4)

Purpose of Report

To update Members on the public consultation announced by Scottish Ministers on 22 July 2025 regarding the future of the Northern Isles Ferry Services Contract (NIFS4), and to present the draft HITRANS response to the consultation questions (included as Appendix A) for Board consideration and agreement.

Northern Isles Ferry Services 4 (NIFS4) Consultation

Scottish Ministers have launched a 12-week public consultation, running from 22 July to 13 October 2025, on the next iteration of the Northern Isles Ferry Services Contract (NIFS4). The contract will replace the current ferry service arrangements linking Orkney and Shetland with mainland Scotland, which are considered essential for supporting the economic, social, and cultural wellbeing of the Northern Isles.

The consultation was launched by Jim Fairlie MSP, Minister for Agriculture and Connectivity, who emphasised the importance of developing a contract that is responsive to changing needs and that delivers reliable, resilient, and accessible ferry services. The consultation is part of a wider programme of work outlined in the Islands Connectivity Plan (ICP), which also includes proposals for the replacement of five Northern Isles vessels during the lifetime of the new contract.

This consultation provides a significant opportunity for communities, businesses, public agencies, and other stakeholders to shape the future delivery model for ferry services to and from Orkney and Shetland. The Scottish Government has invited views on a range of issues including:

- Capacity and future demand
- Unplanned and essential travel
- Fares and affordability
- Freight and logistics provision
- Service performance and reliability
- Environmental sustainability and vessel emissions
- Integration with other transport modes
- Accessibility for all users
- Transparency, community input and accountability

Stakeholder Engagement

The Scottish Government has stated its intention to work closely with local authorities, community representatives, ferry users, and regional transport bodies to inform the NIFS4

contract. This follows earlier engagement through the Islands Connectivity Plan consultation in 2023–2024, which gathered initial views on ferry priorities, integration, and investment.

HITRANS welcomes the emphasis on community voice and the invitation for Regional Transport Partnerships to play a role in shaping the next contract. The organisation has engaged with local partners across the Northern Isles and wider Highlands and Islands area to inform its draft response to the consultation.

In preparing the draft response, HITRANS has also taken account of the views expressed through the Clyde and Hebrides Ferry Services (CHFS) Stakeholder Groups. Although geographically distinct, many of the themes raised in CHFS discussions—such as resilience, affordability, local governance, accessibility, and environmental standards—are equally relevant to island communities in Orkney and Shetland. HITRANS believes it is important to pursue a consistent approach to lifeline ferry services across all of Scotland's island groups, while respecting the unique needs of each network.

Draft HITRANS Consultation Response

HITRANS has prepared a draft consultation response for submission to the Scottish Government. This response aims to:

- Reflect the priorities and concerns of communities in the Northern Isles and wider region
- Support proposals that will enhance service reliability, connectivity, and affordability
- Highlight the importance of well-integrated freight and passenger transport systems
- Emphasise the need for strategic investment in decarbonisation and future-proofed vessels
- Promote a transparent and accountable governance model with strong community representation

The draft response addresses each consultation question and outlines HITRANS's recommendations on contract design, service performance indicators, fare structures, and future integration with regional and national transport strategies.

The draft response is included as Appendix 1 to this report for Members' review. Subject to any final comments or amendments, it will be submitted via the Scottish Government's Citizen Space platform ahead of the consultation closing date on 13 October 2025.

Risk Register

RTS Delivery

Impact - Positive

Comment – Contributing to the NIFS4 consultation supports the goals of the Regional Transport Strategy and ensures ferry services remain central to regional connectivity.
Policy

Impact - Positive

Comment – The contract presents an opportunity to embed sustainable transport principles and ensure parity in ferry service standards across island communities.

Financial

Impact – Neutral

Comment – The consultation process itself does not carry direct financial implications, but may influence future funding models for integrated transport systems.

Equality

Impact – Positive

Comment – The consultation addresses key accessibility challenges and equity in service provision across remote and island communities.

Recommendation

1. Members are asked to note the publication of the Northern Isles Ferry Services Contract 4 public consultation.
2. Members are asked to review and endorse the draft HITRANS response to the consultation questions (Appendix 1).
3. That authority be delegated to the Chair and Partnership Director to finalise and submit the HITRANS response, allowing partner Councils more time to develop their own responses and enabling late comments to be incorporated before the consultation deadline.

Report by:	Ranald Robertson
Designation:	Partnership Director
Date:	29 th July 2025
Background Paper:	NIFS 4 Consultation Question Draft HITRANS Response

Appendix A - Draft HITRANS Consultation Response – NIFS4 Public Consultation

Capacity and Demand

Q1a. Overnight cabins

HITRANS recognises the critical role overnight cabins play on longer crossings, particularly the Aberdeen–Kirkwall–Lerwick route. These offer necessary comfort, privacy, and rest for passengers and should remain an essential part of the service offer. Any future investment should ensure a mix of cabin types and pricing options that reflect different passenger needs and budgets.

Q1b. Overnight pods

Pods provide a good mid-range option between cabins and reclining seats. They improve passenger comfort while using space efficiently. HITRANS supports the continued provision and possible expansion of pod facilities, especially if they can offer a more affordable alternative to cabins.

Q1c. Reclining or standard seats

Standard and reclining seating should continue to be offered to ensure affordability and inclusivity. However, comfort levels and noise insulation should be improved. Reclining seats should also be well-maintained and ergonomically designed for overnight use.

Q2. Late cancellation fee

Yes – HITRANS supports the introduction of a late cancellation fee to help release capacity where passengers fail to cancel unused bookings. This must be applied fairly, with clear guidance and flexibility for genuine emergencies or medical-related cancellations. Proper implementation could improve space utilisation and reduce unmet demand.

Unplanned and Essential Travel

Q3. Supporting urgent travel

To better support those who need to travel at short notice, the operator should:

- Maintain a proportion of unallocated “reserve” spaces for urgent and essential travel.
- Introduce a clear priority access protocol for urgent cases (e.g. bereavement, medical needs, key workers).
- Provide real-time availability updates through the booking system and terminals.
- Offer standby options for foot passengers and a user-friendly process for last-minute travel.

Fares and Affordability

Q4. RET for islanders

Yes – HITRANS supports the principle of Road Equivalent Tariff (RET), which has proven successful in improving affordability and increasing ferry usage. For Pentland Firth crossings, the current RET formula will provide a meaningful reduction in fares and should be implemented as soon as possible.

However, for longer North Sea crossings such as Aberdeen–Kirkwall–Lerwick, RET must be adapted to reflect the unique costs of overnight services, including accommodation and operational complexity. HITRANS recommends a capped model or a new formula that maintains affordability but remains financially sustainable.

As with the HITRANS position on RET for the Clyde and Hebrides Ferry Services HITRANS supports the availability of RET to all travellers both Islander and non Islander. The economic benefits of growing the visitor market to our islands should be recognised and the good work of Government in supporting the progress achieved should not be underestimated.

Q5. RET adjustments for longer routes

HITRANS supports the consideration of a reduced mileage rate or a cap at low-season fare levels. This would help balance affordability with service sustainability. Such a model should be publicly consulted and reviewed regularly.

Q6. Dynamic visitor pricing to support RET

No – HITRANS supports RET being available to visitors and Islanders. It should be noted that non regulated parts of the market will apply dynamic pricing including accommodation providers but as with the road journey on the mainland this is not impacted by seasonality and the ferry journey should not be either. To apply a dynamic price to ferry fares is inconsistent with Government policy on the removal of peak rail fares and in that context it feels unfair and unjust.

Community Voice, Transparency and Accountability

Q7. Operator communication

Communication must be improved in terms of timeliness, clarity, and transparency. HITRANS recommends:

- Use of real-time service alerts across multiple channels (SMS, email, app).
- Clear explanations for disruptions and rebooking procedures.
- Dedicated communication officers with local knowledge.
- Engagement updates on long-term planning, not just immediate operational matters.

Q8. Do current forums reflect community views?

No. While the Orkney and Shetland External Transport Forums play a role, HITRANS believes there is room for improvement in community representation and feedback loops. Forums should be strengthened and diversified, with mechanisms to escalate concerns and feed directly into contract governance. As a minimum the role of and accountability to the existing for a should be written in to the NIFS 4 Contract.

Connectivity Needs and Integration

Q9a. Public transport satisfaction

- Aberdeen: Generally good. Terminal proximity to the railway and bus station supports reliable connections.
- Scrabster: Poor. Lack of a reliable link to Thurso Railway Station significantly impacts intermodal travel.

- Gills Bay/Wick: Similar concerns apply, despite not being part of the NIFS contract.

Q9b. Active travel infrastructure satisfaction

Generally good at all ports.

Q10a. Public transport integration improvements

- Establish dedicated bus links between:
 - Scrabster and Thurso Station
 - Wick Station and Gills Bay
- Work with Orkney Islands Council to identify improvements to on island public transport connectivity and support their implementation.
- Urgently develop multimodal integrated ticketing, allowing ferry, rail, and bus bookings in one transaction.
- Improve real-time journey planning tools and coordinate timetables with regional transport providers.

Q10b. Active travel integration improvements

- Install secure cycle parking at all terminals.
- Ensure step-free and lit pedestrian paths to terminals.
- Enable easy bike carriage on ferries and provide cycle hire or e-bike stations at ports.

Accessibility, Environment and Low Carbon

Q11. Accessibility improvements

- All vessels and terminals should be fully compliant with the Equality Act 2010.
- Improve availability of accessible cabins, signage, and induction loops.
- Train frontline staff on invisible disabilities and inclusive customer service.
- Allow prioritised booking for those with medical needs or essential travel requirements.

Q12. Environmental impact reduction

- When vessel replacement is taking place invest in the lowest practical emission and continue the good work on utilising shore power where feasible.
- Improve waste management and onboard recycling.
- Retrofit or design terminals with low-energy systems.
- Protect biodiversity through careful planning of port development and operations.
- Support modal shift by encouraging freight consolidation and foot-passenger travel.

Freight and Logistics

Q13. Planning commercial traffic

- Improve coordination with hauliers through forecasting tools and reservation data sharing.
- Develop a freight prioritisation framework during capacity-constrained periods.

Q14. Managing high freight volumes

- Use the future freight flex vessels to relieve peak pressure.
- Consider off-peak freight pricing incentives to spread demand.
- Explore cooperative logistics models to consolidate loads across smaller hauliers.

Q15. Other freight improvements

- Provide transparent tracking and disruption information to hauliers.
- Ensure fair access to bookings and discourage over-blocking by major freight users.
- Create freight user groups to improve feedback and communication.

Q16. Freight charging enhancements

- Review and reform freight pricing to ensure transparency and fairness.
- Enable digital invoicing and self-management tools for regular freight customers.

General Priorities

Q17. Top 3 priorities for the next contract

1. Reliability
2. Affordability (added as Other as not an option in the list provided)
3. Punctuality

Q18. Other improvement suggestions

Yes.

- Urgently address the need for integrated ticketing across ferry, rail, and bus.
- Establish a clear governance and accountability framework, with regional and user representation.
- Introduce unmet demand monitoring to guide future investment.
- Ensure regular public reporting on performance, subsidy use, and capacity issues.