



**CMAL**

Caledonian Maritime Assets Ltd  
Stòras Mara Cailleannach Eò



Caledonian Maritime Assets Limited

# Three Year Corporate Plan

**1 April 2024 to 31 March 2027**

*To provide, safeguard and develop ferries and harbours*



# Contents

Introduction .....	4
Corporate governance .....	5
Our mission, vision and goals .....	8
Guiding values .....	8
Business principles .....	8
Environmental sustainability .....	9
and climate change adaptation	
National Performance Framework .....	10
Our people .....	11
Corporate Social Responsibility .....	12
Funding principles .....	13
Financing .....	15
Strategic challenges .....	17
Three-year corporate plan .....	20
Appendices .....	21

# Introduction

**This three-year corporate plan outlines the three years from 1 April 2024 to 31 March 2027 and also reflects on what has been delivered in the period of 1 April 2023 to 31 March 2024.**

CMAL is wholly owned by Scottish Ministers, based in Port Glasgow, and is charged with owning and developing the Scottish Government assets that support lifeline ferry services to island communities throughout Scotland. We support both the Clyde and Hebrides Ferry Services (CHFS) and the Northern Isles Ferry Services (NIFS).

The CHFS and Harbour Operating Agreement (HOA) contracts are operated by CalMac Ferries Ltd, having been secured on 1 October 2016. We own 26 port facilities and 32 ferries that support this contract.

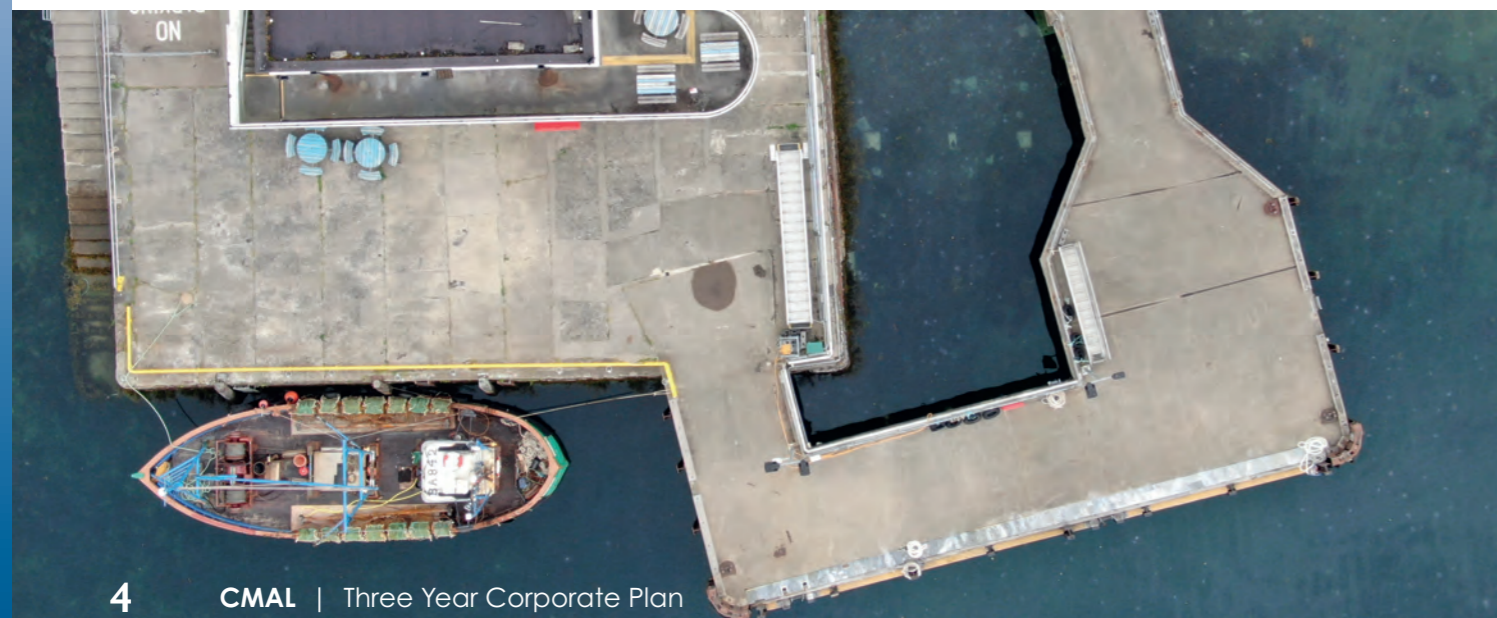
The current NIFS contract is operated by Serco Northlink Ferries Limited. This is a six-year contract with an option for a further two years and commenced on 1 July 2020. We own the five lifeline ferries that operate from the mainland to Orkney and Shetland that support this contract.

We plan our investments to deliver the outputs against our strategic priorities, which are aligned with national objectives.

We work closely with:

- Scottish Government
- Transport Scotland (our sponsoring body)
- The ferry operators for CHFS and NIFS
- The harbour operator for the HOA
- Island and mainland coastal communities where we operate

As a Statutory Harbour Authority for 16 of our ports, we offer open access to third parties, always ensuring that the vital lifeline services are not compromised.



# Corporate governance

**CMAL is a publicly owned company with Scottish Ministers as its sole shareholder.**

The CMAL Board is comprised of a non-executive chair, three non-executive directors and four executive directors – all appointed by Scottish Ministers.

The Board is the principal decision-making forum for the company. It has overall responsibility for leading and controlling the company and is accountable to the company's sole shareholder, the Scottish Ministers, for financial and operational performance. The Board approves company strategy and monitors performance.

The Board meets on a regular basis throughout the year. Board meetings are structured to allow open discussion and all Directors participate in discussing the Company's strategic aims, performance, financial and risk management. The Board is supplied with comprehensive information in advance of each Board meeting, including financial and operational reports covering the company's business activities. Senior managers of the company regularly attend and make presentations at Board meetings. A representative of the company's sole shareholder is entitled to attend each Board meeting.

CMAL also has two additional sub committees that meet on a regular basis and report to the Board; these being the Audit and Risk Committee and the Remuneration Committee.



**Morag McNeill, Chair**

Morag is a qualified solicitor with over 35 years' experience as a corporate lawyer. She was a senior partner at McGrigors LLP (now part of Pinsent Masons LLP) and latterly, was General Counsel at Forth Ports plc. Morag has extensive experience in the ports and harbours sector and a strong background in corporate governance. She is Deputy Chair of Court at Heriot-Watt University and is also a board member at SIS Ventures Limited, Scottish Event Campus Limited, which owns and operates the Ovo Hydro, and FARE Scotland, a charity based in Easterhouse. She is a former Vice-Chair of Aberdeen Harbour Board.



**Murdo MacLennan MA, FRSA, Non-Executive Director**

Murdo was appointed as a Non-Executive Director of the CMAL Board on the 1 October 2022. Previous Ministerial appointments include Scottish Land Fund, Bòrd Slainte Nan Eilean Siar, in both Executive and Non Executive roles, Bòrd na Gàidhlig, Crofters Commission and was elected to the successor body the Crofting Commission as the Commissioner for the Western Isles. Mr MacLennan was a director of Lewis Crofters Ltd for 15 years. He brings a wealth of experience with a special interest in the areas of Board Accountability, Governance, Audit and Finance, and Public Procurement having chaired key committees in these areas on previous Boards. He holds a Sheriffdom appointment to the Highlands and Islands Valuation Appeal Panel. Previously he held the positions of Chair of the Western Isles Education/Business Partnership and Tigheann Innse Gall (housing association) and vice Chair of Bethesda Home and Hospice in Stornoway. Mr MacLennan is an islander based in Point outside Stornoway and an active crofter in both Lewis and Harris, contributing a strong, credible perspective of island interests to national fora.



**Paul Croucher, Non-Executive Director**

Paul Croucher holds an MBA in Banking and Finance and was elected a Fellow of the Institute of Banking and Finance Services in 2009. Paul has private sector leadership experience in corporate banking, with previous divisional director roles at Lloyds Banking Group, Royal Bank of Scotland and BNP Paribas. In the Public Sector, he was an Executive Director at UK Export Finance – the UK’s Export Credit Agency. Paul is currently CEO of Reliance Bank, which provides social impact funding and is owned by The Salvation Army. Previous non-executive roles include the Isle of Man Steam Packet Ferry company and a multi-academy trust.



**Graeme Wood, Non-Executive Director**

Graeme is a qualified marine engineer with more than 40 years’ experience working in marine and oil and gas related businesses, with a focus on vessel management and operation. He has served in a range of executive and non-executive director positions for over 19 years in various organisations, from family-owned enterprises to multi-national organisations. He is a fellow of the Institute of Directors, a Chartered Director and Chartered Director Ambassador.



**Kevin Hobbs, Chief Executive Officer**

Kevin joined CMAL in April 2016, bringing 30 years’ experience in the port, maritime logistics and shipping industries. As director at Port of Milford Haven, a leading UK port which handles over 30 million tonnes of cargo annually, he was responsible for commercial and operational management. Between 2008 and 2011, Kevin worked as a specialist consultant, providing expert advice to maritime and shipping clients, including Dublin Port Company, Peel Ports and Stena Line. In 1996, he founded Seatruck Ferries Group, an Irish Sea ferry service specialising in freight, which he guided from start-up to a profitable business. As CEO and managing director, he oversaw an investment portfolio of eight new-build freight ferries and five pre-owned ferries. He is Chair of the Scottish Maritime Cluster and also one of the Scottish Ports Representatives on the British Port Authority.



**Heather Ferguson, Finance Director**

Heather Ferguson was appointed as Finance Director in November 2020. Heather has a strong financial portfolio, honed through 30+ years of experience in both the private and not-for-profit sectors. Before joining CMAL, Heather was the Finance Director of a prominent Glasgow charity, where she spent six years leading their financial strategy, building an IT team and managing complex building renovations. She has managed a charity, held Trustee positions, and is passionate about improving life for the people of Scotland. Heather is a fellow of the Association of Chartered Certified Accountants and holds the Certificate in Company Direction from the Institute of Directors.



**Jim Anderson, Director of Vessels**

Jim was appointed Director of Vessels in April 2016. Jim is a Chartered Engineer; a Fellow of the Royal Institution of Naval Architects, the Institute of Marine Engineering, Science & Technology and the Institution of Engineering and Technology. He has over 40 years’ experience in the maritime industry; working in senior management roles for shipbuilders, ship owners and design consultants.



**Ramsay Muirhead, Director of Port Infrastructure & Planning**

Ramsay was appointed Director of Port Infrastructure & Planning in October 2019. He has over 25 years’ experience in a broad range of engineering disciplines and joined CMAL in 2009 as a Civil Engineer. In 2012, he took up the role of Head of Civil Engineering, responsible for overseeing the delivery of all CMAL harbour maintenance and infrastructure projects. Ramsay is a Chartered Engineer and a Member of the Institution of Civil Engineers; a Chartered Manager and Member of the Chartered Management Institute; a member of the Institute of Directors; and a Fellow of the Institution of Engineers in Scotland.



## Our mission, vision and goals

Our **mission** is to provide, safeguard and develop ferries and harbours.

Our **vision** is to be the pre-eminent provider of effective and leading-edge vessels and port infrastructure for the communities that we serve.

Our **goals** are to provide safe and efficient vessels, harbours and all associated port infrastructure for the operators, communities and all users in and around Scotland; through consultation and involvement of stakeholders and to adopt a robust long-term planning horizon.

## Guiding values

**Our core responsibilities are:**

- To the Scottish Government – to manage our business in line with corporate governance best practice
- To our operators – to provide the necessary vessels and port infrastructure to enable our operators to deliver their obligations within the public services contracts
- To local communities – to understand the needs of local communities and to work with them to develop opportunities
- To our employees – to respect the rights of our employees and to provide them with safe working conditions
- To our business partners – to seek mutually beneficial relationships with current and future partners, contractors, suppliers, statutory bodies and tenants
- To society – to conduct business as responsible members of the community, to observe our legal and statutory obligations, to give proper regard to health and safety and the wellbeing of the environment

## Business principles

- We conduct our business to the highest standards and with integrity
- We behave in a socially responsible manner
- We have an absolute commitment to health, safety and the environment and we accept our legal obligations to protect employees and users of our assets
- We are an equal opportunities employer and were an early adopter of the Living Wage
- Our employees have the right skills and qualifications to ensure that we are able to deliver and maintain assets for lifeline ferry services in an effective and efficient manner
- We continue to support our staff in their personal and professional development by allowing the time and funding required to undertake courses and qualifications, including attaining membership of chartered professional bodies
- We have robust financial controls and procurement processes, ensuring that we pay our debts promptly, with an aim to achieve a 10-working day turnround from receipt of invoice

## Environmental sustainability and climate change adaptation

We are committed to the delivery of our services in a sustainable and environmentally responsible manner in line with the Scottish Government's strategic vision: To restore nature and end Scotland's contribution to climate change by 2045.

Our aim is to minimise the environmental impact of the next generation of vessels, harbours and ports and that they are resilient to the impacts of climate change. We will do this through innovative design and using technology that enables us to decarbonise, improve air quality, improve resource efficiency and further the conservation of biodiversity.

We have ambitious plans to electrify our fleet of small vessels and we are designing our new major vessels with efficient hull forms and diesel-electric propulsion. We are investing in shore power facilities at our ports where ferries will 'plug-in' when at berth, significantly reducing emissions and improving local air quality.

We are designing ports that are resilient to climate change and taking action to reduce emissions from construction activities and the materials we use. We monitor and take steps to protect local biodiversity during works, taking the opportunity to enhance biodiversity where we can.

We are committed to improving the energy efficiency of our buildings with a programme of works planned which will include the installation of low carbon heating systems and energy efficient equipment.

Our commitment to Environmental sustainability and climate change adaptation has been further enhanced by the introduction of a dedicated Environmental and Sustainability Manager.

We will continue to work with partners to support research into low carbon technologies and drive innovation delivering outcomes to secure the wellbeing of our environment and communities for generations to come.



# National Performance Framework

The National Performance Framework was launched by the First Minister in June 2018.

It was developed to “focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, sustainable and inclusive economic growth.”



The National Strategic Framework sets out the overarching strategic objectives of the Scottish Government.

Being mindful of our responsibilities, CMAL focuses on five key elements of the framework:

- We value, enjoy, protect and enhance our environment
- We have a globally competitive, entrepreneurial economy
- We have thriving and innovative businesses, with quality jobs and fair work for everyone
- We live in communities that are inclusive, empowered, resilient and safe
- We respect, protect and fulfil human rights and live free from discrimination

We will continue to align ourselves with the strategic objectives as they develop in future years.

# Our people

Our greatest asset is our people. We have many and varied skills across our organisation to deliver on our objectives and provide solutions to our strategic challenges. We work hard to empower our people and use their years of experience, coupled with development for continuous improvement through professional training, to both mentor our new recruits and deliver the services we provide. The organogram of our business can be found in the appendices.

Our senior management team is led by our CEO and is encompassed in the sections below.

## Port Infrastructure

The Port Infrastructure department is headed by our Director of Port Infrastructure & Planning, who is responsible for long-term planning and delivery of all our shoreside infrastructure, whether that is for maintenance and repair, or master planning new port facilities. The department consists of a Harbour Assets team, an Engineering team and a Harbour Operations team, who collectively maintain and improve CMAL's port infrastructure to support the lifeline ferry services and other users.

The Harbour Assets team, led by the Head of Harbour Assets, is comprised of specialist functions regarding maintenance, works & project planning, building & property management and asset management. The team is responsible for the majority of minor, planned and reactive maintenance across the network, as well as asset management and project/works planning.

The Harbour Operations team comprises harbourmaster functions, whose duties cover conservancy at all CMAL's 26 ports and harbours. The Harbour Operations team also manages the Harbour Operating Agreement contract for operating all CMAL's facilities, which is done in line with the Port Marine Safety Code.

The Engineering team, led by the Head of Engineering, is responsible for the delivery of shore-based works and projects relating to CMAL's port infrastructure. This team is comprised of a variety of specialisms, including civil, construction, mechanical & electrical engineering and quantity surveying. Delivery of projects on time and within budgetary constraints is important, but maintaining ports to support the lifeline services and communities is equally critical.

## Vessels

Our Director of Vessels leads our vessels team, which is responsible for vessel concept design, shipbuilding contracts, including site supervision, fleet management and inspection and special projects relating to green energy and zero carbon initiatives.

The team is comprised of experienced ship design engineers, naval architects, marine engineers, electrical engineers, project managers, shipbuilders, as well as those with seafaring experience.

## Health, Safety and Environmental Management, and Corporate Services

Our corporate team, led by our Health, Safety and Environmental (HSE) Manager, is responsible for ensuring the organisation is compliant with all relevant legislation and regulations. Health, safety and the environment are crucial components in all that we do, but this is complemented by specialisms regarding quality management (we are Det Norske Veritas ISO 9001:2015 certified), United Kingdom General Data Protection Regulation (UK GDPR), Freedom of Information (FOI) requests and internal administration functions.



## Finance

Our Finance and Procurement Teams are led by our Finance Director. The Finance Team is responsible for financial management, reporting and accounting, producing our annual report, payroll and compliance with the financial reporting requirements of the Scottish Government.

The Procurement Team is responsible for the procurement function and ensures compliance with current legislation and policies. These functions are crucial to the smooth running of our business at CMAL. The team has several chartered accountants, finance professionals and procurement specialists, all with a blend of relevant experience.

## Business Support

Led by our Head of Business Support, supported by our IT Manager, Business Support Officer, Stakeholder Engagement Officer and HR Officer, this function of the business manages all internal IT systems, our HR department, our community engagement, stakeholder engagement and our communications and PR.

CMAL are an inclusive organisation and, when recruiting for any role, always ensures that our positions are open to all, ensuring we have a good balance of experience whilst developing our new recruits. We are a Living Wage employer and have values which mirror the communities we serve.

# Corporate Social Responsibility

Corporate Social Responsibility (CSR) refers to the way in which businesses regulate themselves in order to ensure all their activities positively impact society as a whole. We consider CSR to be an important part of the manner in which we conduct our business. Through our company's practices and policies, we aim to create an ethical working environment whereby the company considers human rights, as well as the social, economic and environmental impact of what we do as a business.

We have a modest CSR fund, which is administered through our CSR Steering Group. This group is made up of volunteers from CMAL and some of our external suppliers. We aim to distribute the fund annually across six regions within the network that we serve. We also support communities in a non-financial way through our voluntary work.

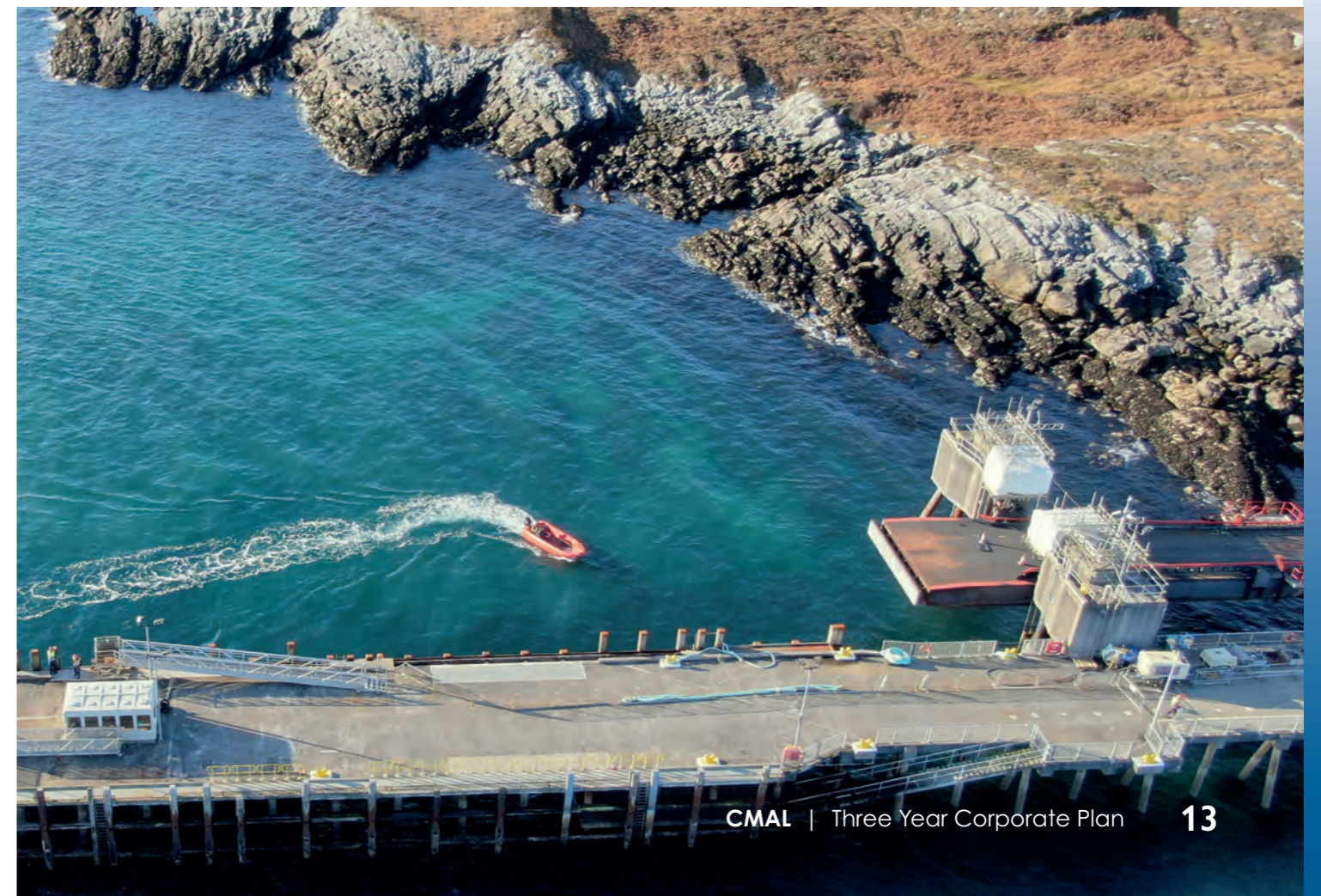
## Funding principles

Primarily, CMAL receives its capital funding from the Scottish Government in the form of voted loans for vessels and capital grants for port infrastructure.

Revenue generated from vessel charter fees are used to repay loans for vessels and harbour access charges are used to fund maintenance, small-scale capital projects, pension liabilities and general running costs, and to make a contribution towards larger capital spends.

A voted loan for vessels is paid back to Scottish Government over a period of 25 years, whereas capital grants for port infrastructure are generally not paid back, but have an agreed contribution level from CMAL's own sources of revenue, typically 20% of a project cost.

Planning for major infrastructure projects, whether ports or vessels, takes significant expertise, time and resource. Funding is identified and agreed in advance of any major project in order that it can both commence and ultimately be delivered. There are clearly fiscal challenges, including but not exclusively relating to the impact of the global pandemic, high inflation rates and global events. However, CMAL has worked collaboratively with our sponsor, Transport Scotland, and the Scottish Government to identify the funding required over the next five to ten years. This is welcomed and affords both our long-term planning to be more robust, and the ability to deliver the infrastructure that is needed to support the lifeline ferry services and the communities that we serve.





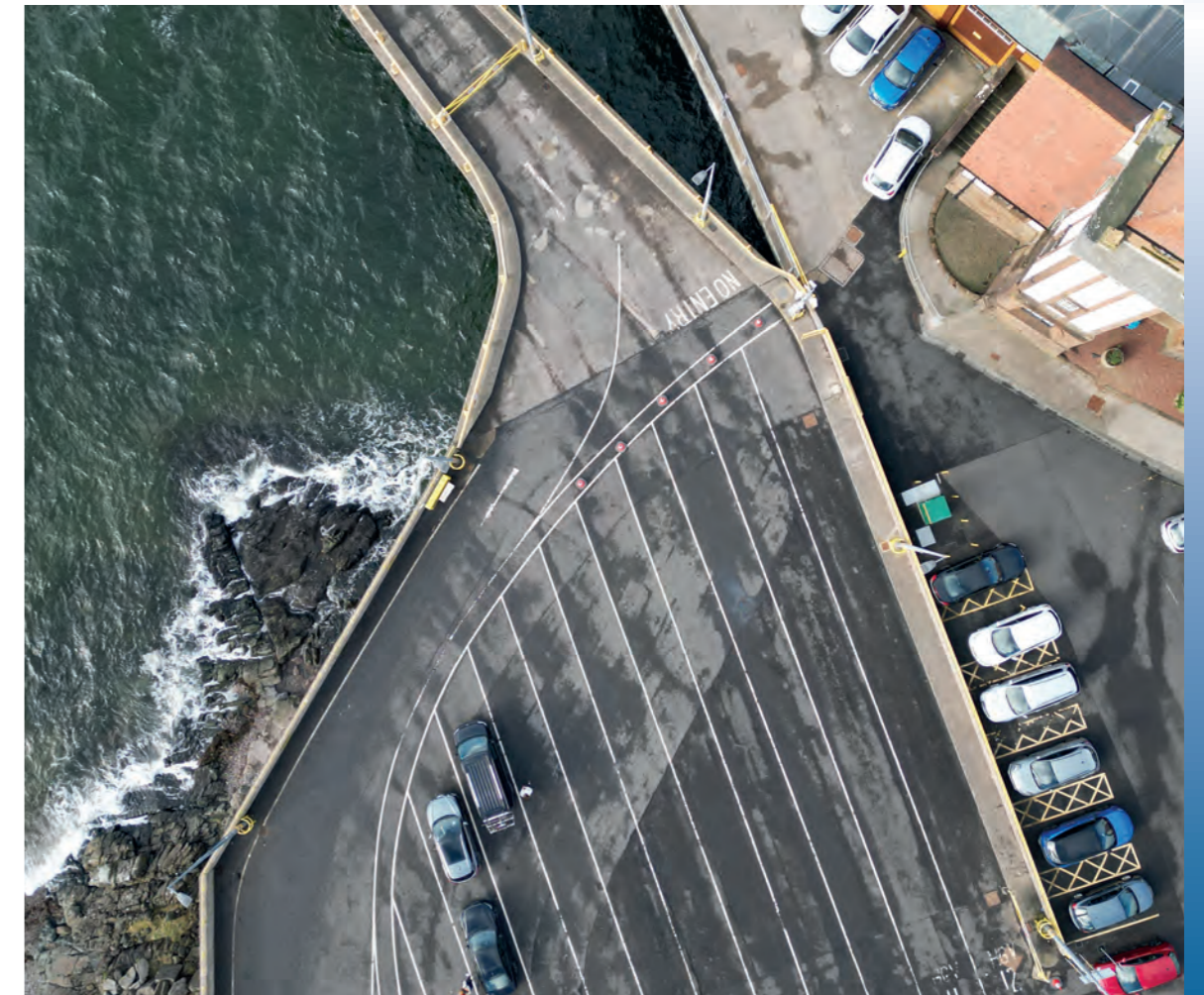
## Financing

Within the overall Scottish Government budget there is an allocation for Transport Scotland. The aviation, maritime, freight and canals directorate is a division within Transport Scotland.

The divisional budget has a ferries allocation, which is split between subsidised services and capital; CMAL receives capital grants for port infrastructure projects and voted loans for new-build ferries projects.

The budgets are set annually by Scottish Government, usually in December each year. We submit regular financial forecasts to aid Transport Scotland in budgeting for future spend, and to ensure we are aligned on projections. Funds are only secured when we receive final approval on individual projects. Many of our projects span multiple years and therefore funds must be ring-fenced to support major projects. All major projects have an additional layer of governance from Transport Scotland and are subject to an internal decision making (IDM) Board, which is chaired by Transport Scotland's CEO.

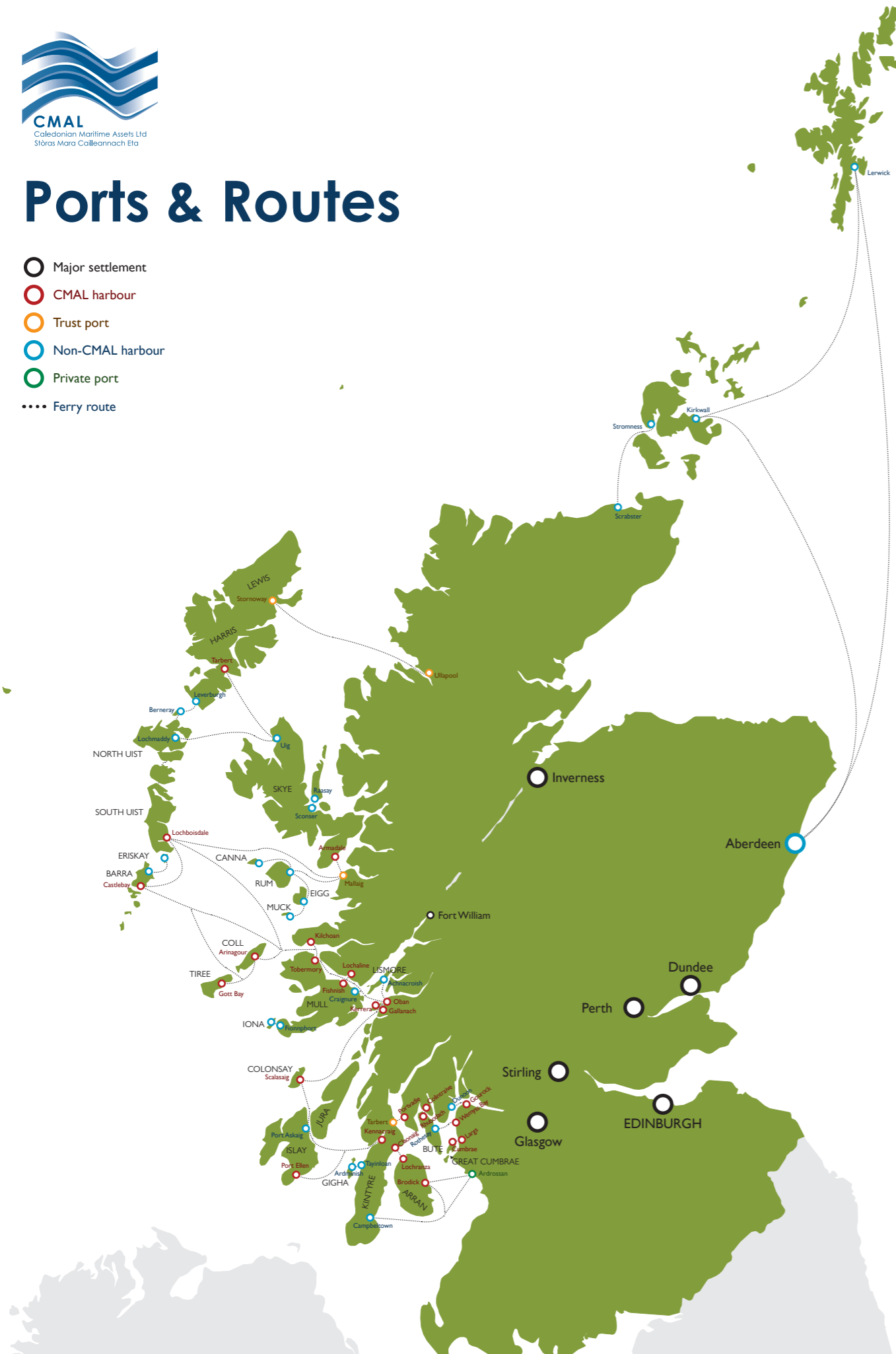
CMAL is responsible for the CalMac pension fund, which is comprised of members from both CalMac and CMAL. The last triennial valuation was in April 2021 and we will work closely with the trustees to enable adequate funding to meet the obligations. All valuations are subject to approval by The Pensions Regulator.





# Ports & Routes

- Major settlement
- CMAL harbour
- Trust port
- Non-CMAL harbour
- Private port
- ..... Ferry route



## Strategic challenges

CMAL is charged with providing lifeline ferries for both the CHFS and NIFS networks and also port facilities that support the CHFS contract. Since the turn of the century there has been insufficient investment in the assets for both ferries and port infrastructure. Our challenge is to ensure that in future years we secure sufficient funding streams from Scottish Government to accelerate the replacement of the ferry fleet and also continue renewal of port infrastructure, with a particular focus on those that are nearing life expiry. Our core challenge is to put a compelling argument to our sponsoring body, Transport Scotland, to ensure that funds are available, thus enabling ferries to be replaced (to progressively bring the average age of the fleet to 15 years). In addition, we must ensure ports are resilient and are able to be funded at adequate levels to maintain services and are also prepared for climate changes such as rising sea levels and increasing intensity of storms.

There is much work to be done and the renewal and upgrade of port infrastructure and ferry replacements is crucial. A renewal and replacement programme is our highest priority.

Vessels have an anticipated life expectancy of 30 years, or possibly longer with mid-life extension investment. It is always a challenge to predict the future volumes of passengers, cars and freight; this is assisted by economic modelling.

We have a financial commitment in place which has a duration of five years from 2021/22 to 2025/26. The original allocated funding streams allowed funding relating to ports on the west coast of £300m and an allocation of £285m regarding vessels. A further £115m was allocated in 2022 to expedite the procurement of 2 additional vessels that will serve on the Little Minch routes. We will continue to have close dialogue with Transport Scotland and finance colleagues to secure additional significant funding from 2026/27 through to 2030/31 for both ports and vessels.

In January 2024, we updated our 'Invest in Ferries' campaign to describe our latest plans to modernise and upgrade the network. More information is available on our [website](#).

### Ports (See tabulation)

The CHFS port network comprises a total of 53 ports, of which CMAL owns 26. There are 24 ports on the network with vehicle linkspan facilities, categorised as major ports, of which CMAL owns 13. The other 29 ports are all concrete slipways, served by small vessels, 13 of which are CMAL's. The remaining CHFS ports and all the NIFS ports are owned by local authorities, trust ports or private port companies.

Port infrastructure is a vital component for lifeline ferry services, but many facilities also support leisure users, fishing vessels, cruise vessels and other commercial use. In addition, a number of CMAL ports have buildings leased to third parties, therefore supporting local businesses. In terms of location, many hail from the steam ship era. Typically, port infrastructure is designed and built to last 50 years with appropriate maintenance. There are a number of CMAL ports that are nearing life expiry and will need to be replaced; a number are in transition and are being rebuilt or at master planning stage.

The Port Infrastructure team at CMAL has responsibility for harbour management, maintenance and improvements at its 26 locations. In addition to these ports, CMAL also has property and/or equipment in a number of third party ports across the network.

CMAL Port	Port Category
Armadale, Isle of Skye	Linkspan
Brodick, Isle of Arran	Linkspan
Castlebay, Isle of Barra	Linkspan
Claonaig, Kintyre Peninsula	Slipway
Colintraive, Cowal Peninsula	Two slipways
Arinagour, Isle of Coll	Linkspan
Scalasaig, Isle of Colonsay	Linkspan
Cumbræ, Isle of Cumbræ	Slipway
Fishnish, Isle of Mull	Slipway
Gallanach, near Oban	Slipway
Gourock, Firth of Clyde	Linkspan
Kennacraig, Kintyre Peninsula	Linkspan
Kerrera, Isle of Kerrera	Slipway
Kilchoan, Ardnamurchan Peninsula	Slipway
Largs, Firth of Clyde	Slipway
Lochaline, Morven Peninsula	Slipway
Lochboisdale, South Uist	Linkspan
Lochranza, Isle of Arran	Slipway
Oban, Firth of Lorn	Two linkspans & a slipway
Port Ellen, Isle of Islay	Linkspan
Portavadie, Cowal Peninsula	Slipway
Rhubodach, Isle of Bute	Slipway
Tarbert (Harris), Isle of Harris	Linkspan
Gott Bay, Isle of Tiree	Linkspan
Tobermory, Isle of Mull	Slipway
Wemyss Bay, Firth of Clyde	Linkspan

## Ferries

CMAL currently owns 32 vessels that support the CHFS network; these are split into 11 major vessels, 3 intermediate vessels and 18 small vessels.

CMAL currently owns 5 vessels that support the NIFS network; there are 3 passenger vessels and 2 freight-only vessels.

In CMAL's professional opinion, a major renewal programme is required. The average age of the fleet for the CHFS network in 2024 is 25 years old; the recommended average for the fleet is 15 years old. A major renewal programme is now well underway.

Analysis of the fleet indicates that within the current decade (2020s), there will be a requirement to replace 6 major vessels (in addition to those that are currently under construction) and 10 small vessels. In addition, 3 passenger-only vessels will need to replace the 2 vessels that sail from Gourock to Dunoon and the vessel that sails from Gourock to Kilcreggan. Our 'Invest in Ferries' report, which is available on our website, outlines more detail on our plans to modernise the network.

CMAL is actively searching the global market for second-hand vessels that would be suitable to operate on the CHFS network. There are a number of constraints that mean that this search remains a challenge, but we remain fully committed and "will leave no stone unturned".

Vessel Name	Vessel Category	Operator
Loch Seaforth	Major	CalMac Ferries Ltd
Finlaggan	Major	CalMac Ferries Ltd
Hebrides	Major	CalMac Ferries Ltd
Lochnevis	Major	CalMac Ferries Ltd
Clansman	Major	CalMac Ferries Ltd
Isle of Lewis	Major	CalMac Ferries Ltd
Caledonian Isles	Major	CalMac Ferries Ltd
Lord of the Isles	Major	CalMac Ferries Ltd
Isle of Mull	Major	CalMac Ferries Ltd
Hebridean Isles	Major	CalMac Ferries Ltd
Isle of Arran	Major	CalMac Ferries Ltd
Helliar	Freighter	Serco Northlink
Hildasay	Freighter	Serco NorthLink
Hamnavoe	RoPax	Serco Northlink
Hjaltland	RoPax	Serco Northlink
Hrossey	RoPax	Serco Northlink
Argyle	Intermediate	CalMac Ferries Ltd
Bute	Intermediate	CalMac Ferries Ltd
Coruisk	Intermediate	CalMac Ferries Ltd
Carvoria	Small	CalMac Ferries Ltd
Catriona	Small	CalMac Ferries Ltd
Lochinvar	Small	CalMac Ferries Ltd
Hallaig	Small	CalMac Ferries Ltd
Loch Shira	Small	CalMac Ferries Ltd
Loch Portain	Small	CalMac Ferries Ltd
Loch Alainn	Small	CalMac Ferries Ltd
Loch Bhrusda	Small	CalMac Ferries Ltd
Loch Tarbert	Small	CalMac Ferries Ltd
Loch Buie	Small	CalMac Ferries Ltd
Loch Frisa	Small	CalMac Ferries Ltd
Loch Fyne	Small	CalMac Ferries Ltd
Loch Dunvegan	Small	CalMac Ferries Ltd
Loch Ranza	Small	CalMac Ferries Ltd
Loch Riddon	Small	CalMac Ferries Ltd
Loch Linnhe	Small	CalMac Ferries Ltd
Loch Striven	Small	CalMac Ferries Ltd
Isle of Cumbræ	Small	CalMac Ferries Ltd

## Key Business Objectives

- ✓ We will play an active role in the Scottish Government's commitment to achieve net-zero emissions by 2045
- ✓ We will continue to take a seat on European research groups and consortia who are developing low carbon technologies
- ✓ Our overhead and establishment costs will not exceed 15% of our revenue
- ✓ We will ensure (within technical and financial constraints) that we deliver our projects on time and on budget
- ✓ We will enhance our port infrastructure, where possible, to enable non-lifeline services to benefit, e.g. fish landing, cruise calls and other commercial ventures
- ✓ We will maintain a focus on carbon reduction and emissions by introducing new technology in both our ferry fleet and ports
- ✓ We will ensure (within technical and financial constraints) that constraints on vessel design and deployment around our port network is minimised through considered design of port upgrades and redevelopment
- ✓ We will continue to enhance our assets through attainment of adequate funding from Scottish Government; or other sources, if required
- ✓ Our ferries will be designed with efficient hull forms and efficient engines, thus reducing fuel consumption whilst taking into consideration operational requirements
- ✓ We will explore options for investment of ferry mid-life overhaul, extending useful life
- ✓ We will work closely with the CHFS and NIFS operators
- ✓ Vessels surplus to requirements will be either sold or recycled
- ✓ We will actively monitor the effects of climate change on rising sea levels and design or improve port infrastructure accordingly

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## Three-year corporate plan

The three-year corporate plan will be renewed each year, with this being the fifth iteration, and captures the years 2024/25 until 2026/27. The following section analyses the projects that CMAL will focus on in the coming three-year period. There is greater granularity regarding Year 1 because this work is the immediate priority, and less detail for the subsequent two years. Furthermore we will outline future strategic projects.

The sections are as follows:

- 2023/24 achievements
- Vessels plan
- Port Infrastructure plan
- Corporate Services plan
- Organisational structure diagram

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# Appendices

# Achievements

## 2024 achievements

The year was somewhat dominated by geopolitical shocks, which meant that there were further disruptions to supply chains for goods and materials that are required for both port and vessel projects. One example being the re-routing of goods around the Horn of Africa as opposed to via the Red Sea and Suez Canal.

Our core mission is to maintain our port and harbour facilities, thus maximising their availability in regards to the support of the lifeline ferry services. We have responsibility for some 50% of the CHFS port portfolio and we have maintained them in good working order, and when necessary, have closed them for a short period of time to minimise any disruption. Whilst owning a total of 26 ports on the CHFS network of the 53 ports in total we do all that we are able to minimise disruption to any service by prompt attention to R&M and minimising any closure periods that must be kept to a minimum in order to maintain services.

Post-COVID-19 our team are now regularly out in the network of ports and also regularly on the vessels that service the lifeline services for both CHFS and NIFS networks. An emerging trend is difficulty in executing projects in a timely manner due to delays in the supply chain and challenges that our contractors suffer regarding recruitment of suitably qualified and experienced staff.

Although it was another challenging year, our organisation has made significant progress.

## Ports and harbours

- The ferry terminal at Tarbert (Harris) was completed and opened by the Minister for Transport; snagging is completed
- Demolition of the Old Brodick Pier was completed using significantly bigger plant and machinery – this was required to be completed by The Crown Estate
- The Port Enabling works for Kennacraig commenced in November 2023 and the contracts for both Port Askaig and Colonsay are in force for execution in 2024/25
- The Port Ellen Project is underway with Ground Investigation completed and initiation of the detailed design
- Traffic Management Projects at ports continue
- Phase 1 and Phase 2 of works at Armadale have resulted in a better carparking configuration and include a new bus stop and traffic flow, enhancing safety
- Works on the terminal building at Castlebay were completed
- Design options at Gourock are ongoing and have been informed by the previous Ground Investigation works in 2022/23

- Design and consultations carried out regarding the renewal of the Cumbrae slipway with enhanced facilities for passengers
- Installation of a passenger waiting area on the Tiree pierhead
- CMAL weather and tide monitoring is implemented at 24 ports, with consideration given to assisting third-party ports with further rollout
- Continuation of LED lighting roll out.

## Vessels

- MV Glen Sannox underwent Builder Sea Trials in March 2024 and is moving towards completion
- MV Glen Rosa is watertight and has been prepared for its planned launch on 9th April 2024
- MV Isle of Islay and MV Loch Indaal are being constructed — the launch of MV Isle of Islay took place on 16th March 2024 and MV Loch Indaal is completing join-up in preparation for launch
- MV Lochmor and MV Claymore are under construction with MV Lochmor being joined-up on the slipway
- The concept design for the Small Vessel Replacement Programme Phase 1 has been completed, and a tender has been prepared awaiting the Scottish Government's funding decision
- Concept design consultants appointed for the Mallaig/Lochboisdale vessel replacement
- Replacement vessel for the Gourock/Dunoon/Kilcreggan route has not been concluded
- Initiation of a project to explore the replacement of the MV Carvorra
- Successful simulations for the replacement of the NIFS freight vessels, and refinement is underway for the Freight or Freight-Plus solution
- Search for suitable second hand tonnage continued throughout the year

## Corporate services

- 10 year Capital Programme for investment in Ports and Vessels continued throughout 2023/24
- Records Management IT Project reaching its conclusion
- Migration of all CMAL SharePoint platforms to a full cloud based solution substantially completed and to be fully implemented in 2024/25
- New Accounting system chosen and the majority of "User Acceptance Testing" completed with the Go Live set for April 2024

## Port Infrastructure – three-year plan 2021/2022 to 2023/2024

Project/Works	Details	Total Project Value	2024/2025	2025/2026	2026/2027	2027 & beyond	Risk	Benefit
<b>Maintenance &amp; repair projects/works</b>								
General maintenance & repair	Planned and reactive maintenance across CMAL's port network	Annual	£5m - £8m	£5m - £8m	£5m - £8m	Estimate of £5m-£8m annually	Infrastructure unsuitable for safe port operation, access to remote communities compromised and commercial activity restricted.	Infrastructure continues to be available to support lifeline ferry services, commercial and leisure use.
Bullhole berthing structure strengthening	Strengthening work to prolong working life	£200k	£200k					
Tiree ferry berth, fenders, pier approach & sea walls repairs	Design and implement various pier & fender repairs	£5m	£300	£2.2m	£2.5m			
Kennacraig linkspan refurbishment	Repairs & strengthening works during berth outage	£850k	£850k					
Network traffic management	Upgrade of traffic management issues at various ports	£650k	£250k	£250k	£100k			
Harbour Weather and Water Level Monitoring Network	Maintain & extend network of monitoring equipment.	Ongoing	£125K	£30K	£130K	Varies	Harbour safety compromised by lack of navigational information and data	Provision of environmental data and navigational information to improve harbour safety and assist harbour users. CMAL meet their duty to provide conservancy information in statutory harbour areas.
Aids to Navigation, Wave Instruments & Buoys	Maintenance and replacement of Aids to Navigation, wave instruments and buoys	Ongoing	£110K	£120K	£130K	Varies		
Bathymetric and Land Surveys	Regular bathymetric surveys across port network, as well as land surveys as required.	Ongoing	£110K	£120K	£130K	Varies		

continued...

Project/Works	Details	Total Project Value	2024/2025	2025/2026	2026/2027	2027 & beyond	Risk	Benefit
Provide safe and efficient port environment	Provide and manage port safety management systems with harbour operator. Manage systems and improve port safety.	Ongoing	Ongoing as part of being port/facility owner and Statutory Harbour Authority in some locations.					Safe and sustainable facilities with the correct legal framework in which to operate in place.
Improve and develop operator and stakeholder relations	Visit communities we serve regularly. Meet operators routinely. Jointly develop plans with operator and stakeholders. Work in partnership with communities where appropriate. Provide advice and support with respect to port management and harbour infrastructure.	Annual	Ongoing as part of all works and projects.				Suboptimal stakeholder and operator relations with potential conflict and failure to provide appropriate infrastructure.	Appropriate stakeholder relations benefiting overall project delivery.

Project/Works	Details	Total Project Value	2024/2025	2025/2026	2026/2027	2027 & beyond	Risk	Benefit
<b>Selected capital projects/works</b>								
Network lighting upgrades	Completion of upgrades to external lighting at various ports	£220k	£220k				Infrastructure unsafe for port users and operators, high energy costs and high environmental emissions	Safe, sustainable and fit for purpose lighting in place for operational ports
Port Ellen Terminal Development	New marshalling and parking areas, as well as new terminal building	£60m	£1m (Design & tender)	£26m (Construction)	£27m (Construction)	£1.5m (Construction)	Infrastructure unsuitable for port operation and access to rural communities compromised	Fit for purpose and appropriate infrastructure in place to meet current and future operational and community needs
Gasay Terminal Development	New ferry terminal adjacent to Lochboisdale	£57.5m	£1m (Outline Business Case & design)	£3m (Design, GI & tendering)	£15m (Construction)	£33m (Construction)		
Small Vessel Replacement Programme (SVRP) CMAL Port Works	Works to accommodate new small ferries at various ports across the network, including dredging, berth works & shore power supply	£32.5m	£900k (Design)	£8m (Tendering & construction)	£12m (Construction)	£11.5m (Construction)		
Gourock Harbour Redevelopment	Redevelopment of ferry terminal	TBC - dependent on final project scope	£1.2m (Outline Business Case & design)	£5m (Design, tender & Construction)	£10m (Construction)	TBC (Construction)		
Cumrae Slipway	Reconstruction of slipway, construction of marshalling & terminal building	£8m	£2.1m (Design, tender & construction)	£4m (Construction)	£1.3m (Construction)			

continued...

Project/Works	Details	Total Project Value	2024/2025	2025/2026	2026/2027	2027 & beyond	Risk	Benefit
New Islay Vessel Port Enabling Works - Port Ellen, Kennacraig, Colonsay & Port Askaig	Works to accommodate new Islay ferries, including dredging, fendering, shore power supply & mooring aid	£43.5m	£28.5m (Construction)	£1.5m (Construction)				
Oban 1 Berth Modifications	Works to accommodate wider range of standardised ferries	£15m	£650k (Outline Business Case & design)	£11.5m (Tendering & construction)	£3m (Construction)			
Tiree terminal building & marshalling area	Full redesign and improvement of building, marshalling & parking	£1m	£500k	£500k				
Wemyss Bay Passenger Access System Replacement	Replace passenger access system	£2m	£100k (Design)	£900k (Tendering & construction)	£750k (Construction)			



## Notes:

1. All costs are estimates at March 2024, each of which has varying degrees of contingency or optimism bias, depending on the current stage of the project.
2. Major maintenance and repair works, not covered by “General Maintenance”.
3. Capital harbour improvement works.
4. The table is subject to change based on network priorities.
5. Smaller value works/projects not shown for clarity.

## 7 Years 2026 to 2033

Selected key projects (not mentioned above):

- Armadale – port redevelopment
- Castlebay – dredging, fendering, replacement terminal building and increased marshalling
- Claonaig – slipway widening and shoreside works
- Coll – fender replacement, terminal building replacement and increase in marshalling
- Colonsay – main berth fender replacement
- Fishnish – slipway reconstruction
- Gallanach – slipway reconstruction and increased marshalling & parking
- Kennacraig – new pier & terminal building
- Kerrera – new building and reconstruction of original section of slipway
- Kilchoan – slipway reconstruction and increase marshalling & parking
- Lochaline – slipway reconstruction and building replacement
- Lochboisdale – demolish/decommission old facility
- Lochranza – slipway reconstruction, repairs to inner pier and increased marshalling & parking
- Tiree – fender replacement and terminal building replacement
- Oban – redevelopment of southern end of ferry terminal
- Tobermory – repairs/replacement of pier, fenders and quay walls
- Uig – demolition of CMAL-owned building
- Wemyss Bay – increased marshalling & parking

## Vessels – three-year plan 2023/2024 to 2025/2026

Project	Details	Project/ Works Value	2023/2024	2024/2025	2025/2026
Glen Sannox	New vessel (Fair Market Value, independent broker)	£50m*	0	£50m	0
802	New vessel (Fair Market Value, independent broker)	£50m*	0	0	£50m
LNG	LNG facilities Ardrossan	£4m	£0.5m	0	£3m
Islay ferries x2	New vessels x2	£90m*	£27.5m	£27m	0
New Little Minch ferries x2	New vessels x2	£99m*	£34m	£18m	£20m
Small Vessels Replacement Programme Phase I	New vessels x 7	£140m	0	£32m	£18m
Small Vessels Replacement Programme Phase II**	Design project	£0.5m	0	£0.5m	0
Future major vessel (Mallaig – Lochboisdale)**	Design project	£0.45m	£0.35m	£0.1m	0
Future major vessel (Mull x2)**	Design project	£0.6m	0	£0.4m	£0.2m
Upgrades and projects	Vessel upgrades CMAL	£11.5m	£3.5m	£3.5m	£3.5m
Resilience projects (CHFS)	Vessel resilience (Transport Scotland)	£18m	£6m	£6m	£6m
Resilience projects (NIFS)	Vessel resilience (Transport Scotland)	£12m	£4m	£4m	£4m

\*Note—funded vessel costs are contract prices only

\*\*Note—these vessels are unfunded in the IIP 2021/22 to 2025/26

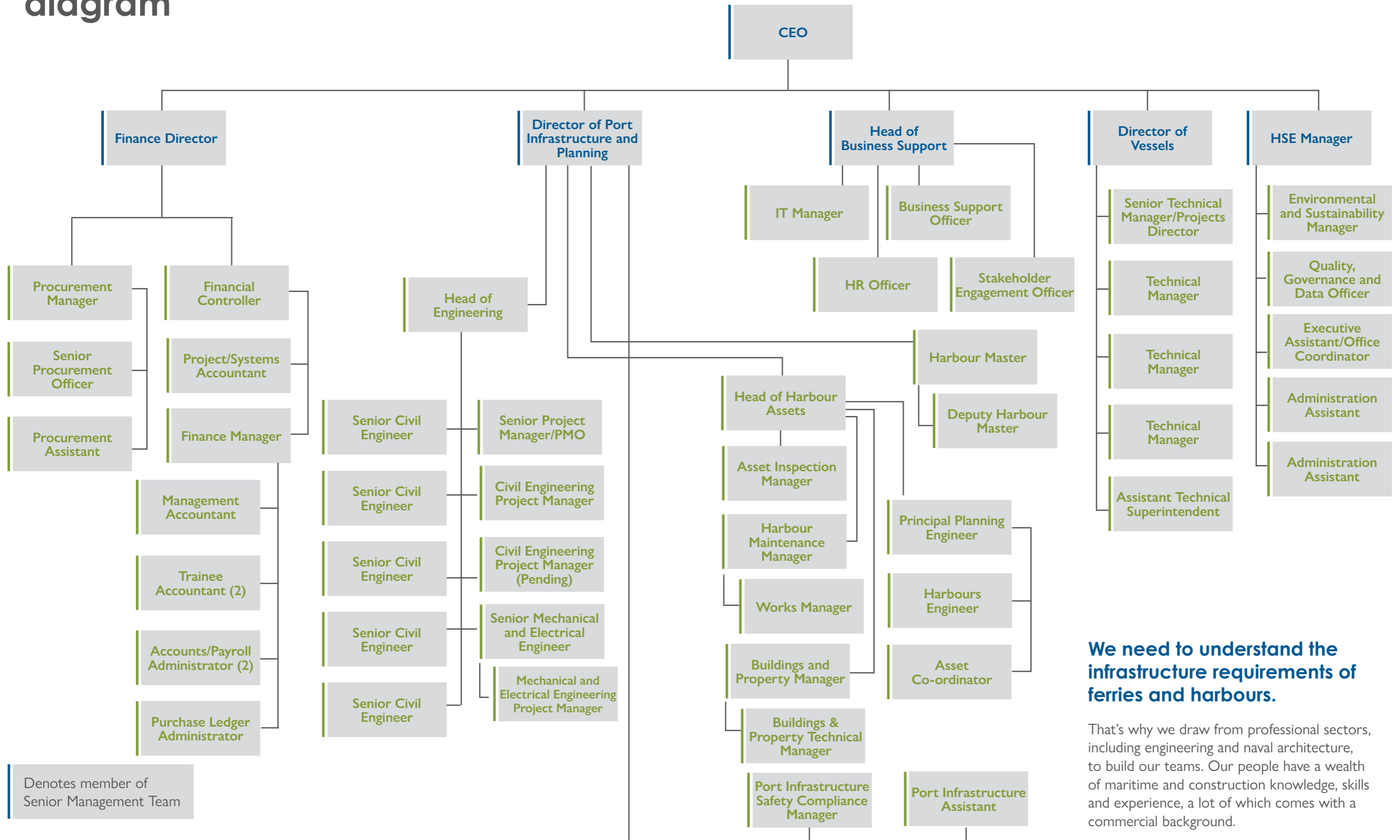
## Corporate Services – three-year plan 2023/2024 to 2025/2026

Project	Value	2023/24	2024/25	2025/26	Risk	Benefit
Support CHFS3 tender and ensure the following agreements are executed: <ol style="list-style-type: none"> <li>1. CHFS3 Fleet Bareboat and Charter Party</li> <li>2. Harbour Operating Agreement</li> <li>3. Property and Equipment Licence</li> <li>4. Trademark Licence Agreement</li> <li>5. Heraldic Device Agreement</li> <li>6. Tripartite Agreement</li> <li>7. Gourrock Harbour Licence Agreement</li> </ol>	£300,000	£150,000	£100,000		The procurement process including the draft contracts are not correctly structured resulting in a poor procurement process and a poor-quality provider is appointed or none is appointed	A good quality tender process results in a quality service provider being appointed.
Develop Asset Management System and integrate	£80,000	£40,000	£40,000		The system does not deliver the benefits which have been forecasted.	A simple accurate digital system for managing the asset management processes within CMAL
SharePoint migration and redevelopment to accommodate other platforms including the asset and records management systems	£330,000	£100,000			The system does not deliver the benefits which have been forecasted	A simple accurate digital system for integrating new platforms and redeveloping legacy platforms in the cloud
Keep Scotland Beautiful audit	£25,000		£25,000		CMAL-owned ports fail to improve on their current grading	CMAL's ongoing commitment to the environment
Data Protection Officer Services	£30,000	£10,000	£10,000	£10,000	Non-compliant, resulting in fines	Ensuring all data protection issues are met in a timely and professional manner

Project	Value	2023/24	2024/25	2025/26	Risk	Benefit
Significant corporate support contracts are procured as required including the following: <ul style="list-style-type: none"> <li>• External and Internal Audit</li> <li>• Legal &amp; Tax</li> <li>• IT</li> <li>• Insurance</li> </ul>	£30,000	£10,000	£10,000	£10,000	Failure to procure good quality support organisations will limit the ability of the company to deliver its three-year operating plan	Good quality support organisations are procured and deliver higher than expected value for money services
Renewal of finance accounting system	£100,000	£50,000	£50,000			
Weather and tide monitoring	£750,000	£250,000	£250,000	£250,000		



# Organisational structure diagram



**We need to understand the infrastructure requirements of ferries and harbours.**

That's why we draw from professional sectors, including engineering and naval architecture, to build our teams. Our people have a wealth of maritime and construction knowledge, skills and experience, a lot of which comes with a commercial background.



**Caledonian Maritime Assets Ltd**

Municipal Buildings  
Fore St  
Port Glasgow  
PA14 5EQ

**T** 01475 749 920  
**E** [info@cmassets.co.uk](mailto:info@cmassets.co.uk)  
cmassets.co.uk  
COL00014

