



CMAL

Caledonian Maritime Assets Ltd

Strategic Plan

2009-2019

Contents

Page

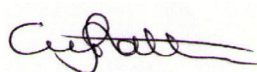
1	-	Foreword
2	-	About CMAL
3	-	Strategy Summary
4	-	Mission, Vision & Strategy
5	-	CMAL Goals
6	-	How the Strategy Supports National Outcomes
		6 - Vessels 10 Year Plan
		7 - Harbours and Piers 10 Year Plan
		8 - Corporate Services 10 Year Plan
9	-	CMAL Working in Partnership
9	-	CMAL's Core Activities
10	-	Developing the Strategy and Next Steps

Foreword

This 10 year plus strategic plan sets out, in broad terms, how Caledonian Maritime Assets Limited (CMAL) intends to deliver on its mission to provide, safeguard and develop the ferries and harbours under our control. We know that we cannot operate in isolation and must work together with others to achieve this and that the vision and objectives of CMAL must align with the Scottish Government's overall strategic priorities of a wealthier and fairer, smarter, healthier, safer and stronger and greener Scotland.

The Company recognises that to achieve all that we want to will take hard work, planning, robust project management, financial prudence, consultation and teamwork. By ensuring effective strategic focus on all that the company does however we are confident that we will deliver against this plan to the benefit of the communities that we serve throughout Scotland.

This strategic plan forms the cornerstone of everything that the company does. From this plan we will develop a 3 year corporate plan and a one year operating plan which will show in more detail our projects, plans and how we run the business. The CMAL Board is accountable for the delivery of all of these plans and they will be updated every year to reflect progress and any necessary changes.



Guy Platten
Managing Director, CMAL



Grenville Johnston
Chairman, CMAL

About CMAL

Working with stakeholders Caledonian Maritime Assets Limited (CMAL) is about the long term development and improvement of the assets, both ships and ports, under our charge. CMAL is wholly owned by Scottish Ministers and currently owns;

- ◆ 31 ferries of varying size, with one about to begin construction,
- ◆ and 24 harbour facilities throughout the west coast of Scotland and the Clyde Estuary, associated with the provision of the lifeline ferry services.

Additionally, CMAL leases land at a number of other ports and harbours. CMAL makes these assets available for use by ferry operators who deliver the lifeline services under a public service contract with the Scottish Government. As Harbour Authority for a number of ports CMAL is also committed to ensuring open access to these ports for third parties ensuring, of course, that lifeline ferry services are not interfered with.

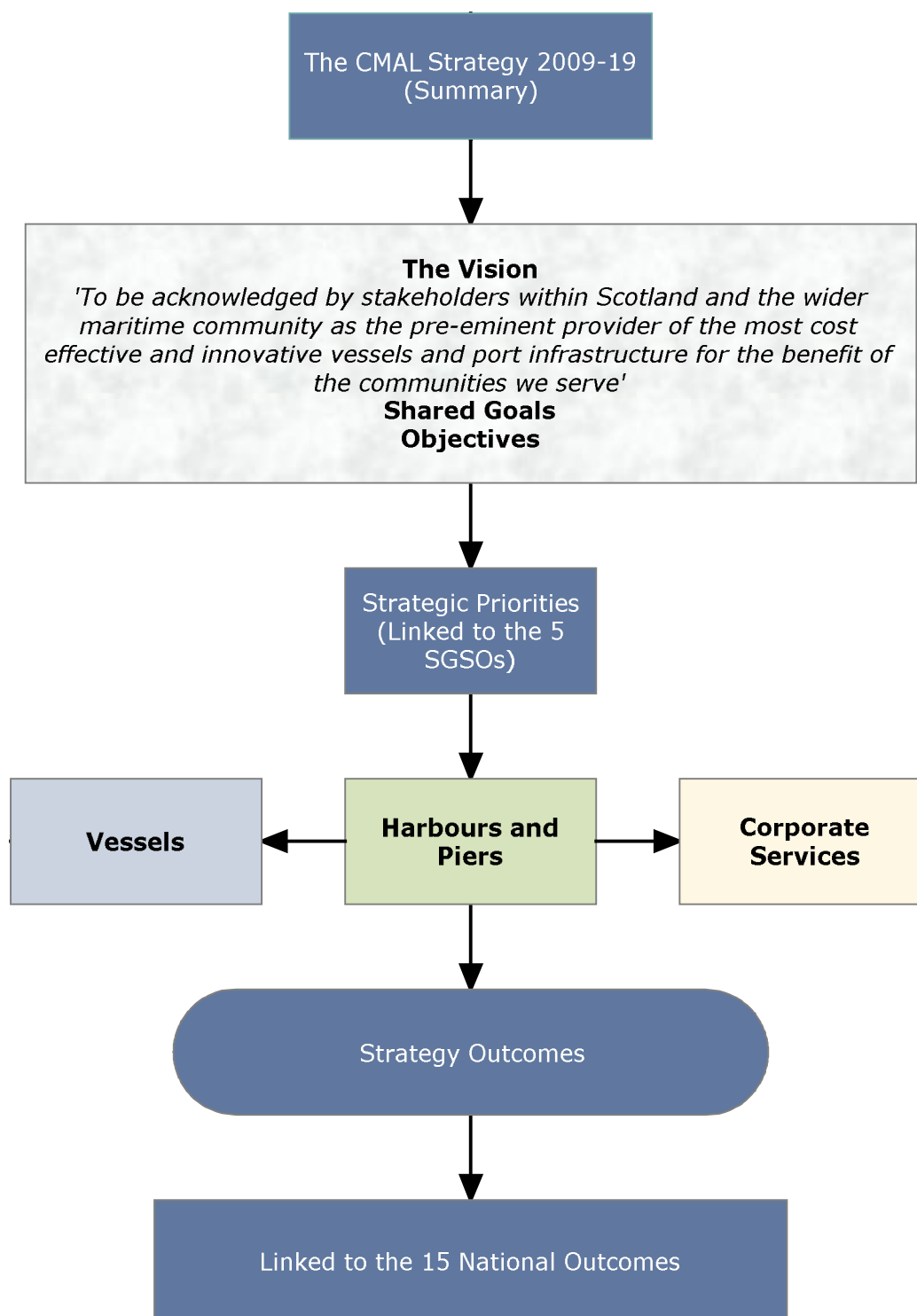
Background

Until 1 October 2006 Caledonian MacBrayne Ltd provided the majority of Clyde and Hebrides ferry services and owned the associated vessels and a number of the ports and harbour facilities that the vessels used. That company was wholly owned by Scottish Ministers. These services required an annual revenue deficit grant from the then Scottish Executive to maintain lifeline service levels.

In order to comply with European guidelines on State Aids in Maritime Transport, an open public tender was deemed necessary in respect of these ferry services. The then Scottish Executive tendered the Clyde and Hebrides Ferry Services (CHFS) as a single bundle, with the exception of the Gourock-Dunoon service.

In recognition of the uniqueness of the fleet and in order to ensure a level playing field for all bidders on 01 October 2006 Caledonian MacBrayne Ltd was split into an asset owning company, Caledonian Maritime Assets Limited (CMAL) , and a new operating company, CalMac Ferries Ltd (CFL). This was done by Caledonian MacBrayne Ltd transferring its operations (but not its assets) to CFL. The operation of the lifeline ferry service was then put out to open competitive tender. Caledonian MacBrayne Ltd, now CMAL, continues to own all vessels and land based assets (ports, harbours etc) and makes them available to the Operator selected. From 01 October 2007 CalMac Ferries Limited continues to operate the services having won the tendering process with their bid. Under the terms of the tender CFL is bound to use the vessels of CMAL. CFL holds the Public Services Contract (PSC) until 30 September 2013.

CMAL Strategy Summary



Our Mission is:

'To provide, safeguard and develop ferries and harbours'

The Strategy Vision

'To be acknowledged by stakeholders within Scotland and the wider maritime community as the pre-eminent provider of the most cost effective and innovative vessels and port infrastructure for the benefit of the communities we serve'

A Strategy for the Future

CMAL will continue to work closely with the ferry operator and key stakeholders as well as consult with local communities to ensure that our strategic Goals are in line with the policy objectives of the Scottish Government:

Wealthier and Fairer – by helping get people to work and goods to market, we can play our part in enabling businesses and people to increase their wealth and more people to share fairly in that wealth. Modern and efficient harbours and ferries will enhance and improve connectivity for business and freight, supporting an increase in sustainable economic growth

Smarter – by providing first class ferries and harbours which enable the current operator to run efficient and timely services, we can increase accessibility to further education and employment opportunities which enable people to remain living in more remote communities

Healthier – by improving the infrastructure vital for lifeline ferry services, we can help provide better, local and faster access to healthcare

Safer and stronger – through port development, we can help local communities to flourish, becoming safer and stronger places to live, offering improved opportunities and a better quality of life

Greener –by exploring environmental improvements and benefits in our future plans we will aim to minimise our impact on the environment and contribute towards a greener Scotland.

Contribution of Strategy Vision to Scottish Government Strategic Objectives (SGSOs)

	Wealthier & Fairer	Healthier	Safe and Stronger	Smarter	Greener
Strategy Vision					

Contribution of Shared Goals to SG Strategic Objectives

	Wealthier & Fairer	Healthier	Safe and Stronger	Smarter	Greener
Support increasing sustainable growth	✓		✓	✓	
Promote Social Inclusion and equality	✓		✓	✓	
Improve health and protect the environment		✓			✓

At CMAL, our goal is to:

- to provide modern, sustainable ferries which are reliable, fuel efficient and have lower maintenance costs making public transport more accessible and a viable alternative to car use
- to work with communities to develop and improve their ferry services and harbour and pier facilities to promote economic and social growth
- to improve the planning and decision making processes for major infrastructure projects which will see more projects delivered on time and within budget
- to work with the current operator, local councils and Government to explore ways in which new methods of working and organisational procedures, sharing best practice, will further improve services, reduce costs and increase revenues, delivering value for money to the public purse
- to continue to administer the Harbours Grant in Aid fund to the benefit of the communities we serve

We will measure our success by:

- Reducing the average age of our ferries to under 25 years old
- Delivering our projects on time and to budget
- Proactive planning and through joined up procurement
- Ensuring that we reduce our impact on the environment

How the Strategy Supports National Outcomes

Vessels 10 Year Plan

CMAL's strategic priority is to:

'Provide ferries for the efficient operation of the Clyde and Hebrides Ferry Service (CHFS) contract'

We will achieve this by:

- **implementing a long term maintenance plan** for the existing fleet of 31 ferries while implementing a replacement programme that will meet the existing and future needs of the remote and island communities of Scotland

	Key Strategies	Strategic Objective	SG National Outcome	SG National Indicator
2009-2019	<p>Creating "one stop shop" ship procurement and chartering section within CMAL that will maintain a high level of ship procurement knowledge and expertise.</p> <p>Maintenance of existing CMAL vessels to ensure their long term availability in and around the Clyde and Hebrides and other areas.</p> <p>Forming alliances with other ferry and ship users in the Scottish public sector to share information and ideas and increase buying power</p>	<p>Safer and stronger</p> <p>Wealthier and fairer</p> <p>Smarter</p>	<p>We are better educated, more skilled and more successful, renowned for our research and innovation</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs</p> <p>We realise our full economic potential with more and better employment opportunities for our people</p> <p>We live in well-designed, sustainable places where we are able to access the amenities and services we need</p>	<p>At least halve the gap in total research and development spending compared with EU average by 2011</p> <p>Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum</p> <p>Improve people's perceptions of the quality of public services delivered</p> <p>Improve knowledge transfer from research activity in universities</p> <p>Increase the proportion of journeys to work made by public or active transport</p>

Harbours and Piers 10 Year Plan

CMAL's strategic priority is to:

'Maintain and develop the harbour and pier facilities in order to promote and facilitate modern harbour and ferry operations'

Through a thorough review of the business environment in which we currently operate and by analysing our strategic capabilities within the Harbours and Piers Team a number of key strategic directions have been identified. These will lead towards delivery of our vision to be:

'the pre-eminent provider of efficient, cost effective and safe harbours and associated infrastructure while meeting the need of the local communities which we serve'

These key strategies are aligned with the Scottish Governments economic strategy and are identified below.

	Key Strategies	Strategic Objective	SG National Outcome	SG National Indicator
2009-2019	<p>Work in partnership with stakeholders to deliver expectations with respect to port infrastructure and associated assets</p> <p>secure funding to provide safe and efficient port infrastructure</p> <p>Improve asset utilisation and condition</p> <p>Inform future spending reviews with respect to Grant In Aid (GIA)</p>	<p>Safer and stronger</p> <p>Wealthier and fairer</p>	<p>Will build strong, resilient and supportive community relations</p> <p>Will provide well designed, sustainable facilities with the services required</p> <p>Will realise our full economic potential Will provide well designed, sustainable facilities with the services required</p>	<p>Improve people's perceptions of the quality of services provided</p> <p>Improve public sector efficiency</p>

Corporate Services 10 Year Plan

CMAL's strategic priority is to have;

'The right staff, with the right skills and in the right numbers, working in the right way.'

CMAL will achieve this by continuing to develop our internal process to support our core activities in order that we can deliver more effective services through a number of key strategies.

These key strategies are aligned with the Scottish Government's economic strategy and are identified below.

	Key Strategies	Strategic Objective	SG National Outcome	SG National Indicator
2009-2019	<p>Looking actively at the potential for shared services such as IT, Marketing and Procurement and maximising the potential efficiencies and expertise that this can bring</p> <p>Having the right assets and technology to support our mission and values</p> <p>Reducing and streamlining bureaucracy together with the empowerment of frontline staff</p> <p>By sharing information with the current operator and communities which rely on our services and exchanging best practice and agreeing common standards</p> <p>Being recognised by our stakeholders as providing an added value service</p> <p>Attracting and retaining highly skilled and respected staff</p> <p>Ensuring that our fixed overheads remain below 10% of our Expenditure</p> <p>Benchmarking our selves against similar organisations as part of our commitment to continuous improvement</p>	Wealthier and fairer	Our public services are high quality, continually improving, efficient and responsive to local people's needs	<p>Improve people's perceptions, attitudes and awareness of Scotland's reputation</p> <p>Improve people's perception of the quality of public services delivered</p>

CMAL Working in Partnership

CMAL will work closely with the Ferry Operator and communities to ensure that our strategy meets the strategic objectives of the Scottish Government. For all major infrastructure projects we ensure full consultations is undertaken, with proper cognises given to;

- ◇ Environment
- ◇ Safety, (accident prevention and security)
- ◇ Economy, (economic efficiency and impact on the wider economy)
- ◇ Integration, (with existing transport, with land-use and with other policies)
- ◇ Accessibility and social inclusion (promotion of public transport, provision of access to local services for society as a whole and for distinctive groups within it)

The key stakeholders for delivery of the strategy include:

- ◆ The ferry Operator under the Clyde and Hebrides Ferry Service (CHFS) contract
- ◆ Other ferry operators including councils, and Rathlin islands Ferries Ltd
- ◆ Community Forums, presently being held in Largs, Millport, Lochaline, and Stornoway and Ullapool.
- ◆ Harbour trusts, whom we meet on a regular basis
- ◆ Community councils with whom we invite to attend all of our forum meetings prior to any major project commencing
- ◆ Local Councils, and planning departments
- ◆ HITRANS, we sit on both Tier 1 and Tier 2 groups
- ◆ Scottish Sustainable Marine Environment Initiative (SSMEI), we actively input into both the Clyde and Sound of Mull SSMEI
- ◆ Scottish Government / Transport Scotland, we are now leading on 4 work packages for the Ferry Review being conducted
- ◆ TRANSEC, we attend the West of Scotland Regional Port Security Committee Meetings
- ◆ HIE and Scottish Enterprise, we work with the local economic development companies closely when planning major projects
- ◆ The Scottish Marine Bill, we have attended a number of consultation meetings and feed into this process

CMAL's Core Activities

CMAL is committed to making the strategy a success. The development and improvement of CMAL's core activities will ensure efficient delivery of the strategy. CMAL's core activities are:

Providing ferries for the efficient operation of the CHFS contract – maintaining the existing fleet of 31 ferries, and implementing a replacement programme that will meet the existing and future needs of the remote and island communities of Scotland

Acting as Harbour Authority – this gives CMAL statutory powers or duties for the purpose of improving, maintaining or managing a harbour under the Harbours Act 1964.

Managing the Harbours Grant in Aid Scheme – CMAL will administer and work with the Harbours Grant Management Group (GMG) to assess and appraise applications for funding on behalf of the Scottish Government.

Delivering Harbours and Piers – maintaining, and developing the harbour and pier facilities in order to promote and facilitate modern harbour and ferry operations.

Managing the Calmac Pension Scheme – ensuring that the company meets its obligations in respect of the pension rights of employees past and present, including continuing to act as Principal Employer of the existing Caledonian MacBrayne Ltd Pension Fund following the transfer of operations to CFL.

Brand – the ownership, safeguarding and 'licensing' of the Caledonian MacBrayne Ltd. brand and other registered trademarks.

Developing the Strategy and Next Steps

The strategy has been prepared in line with Scottish Government Guidance and sets out CMAL's strategic direction to 2019. As a relatively new Government body CMAL conducted a full strategic review and implemented a balanced score card approach to monitoring our ongoing progress, and this will be reviewed on an annual basis.

The strategy provides the context for prioritisation whilst a three year corporate plan and one year operating plan provide further details of the implementation plan on how we will deliver our key activities and projects. On approval by Ministers, the strategy will then inform the action plans and decision making on new developments.

The scale of the issues facing CMAL means that there is a need for effective strategies that support the longer term objective of the Scottish Government and the Clyde and Hebrides ferry services. This will primarily involve the continued strategic maintenance and up grading of the harbour and pier infrastructures which must be complimentary to those of the current operator, local communities and the wider business communities and importantly delivered in the most effective way.

Next Steps

The successful delivery of the strategy will be influenced by:

- ✦ Effective working with the current operator
- ✦ Consultation with local communities
- ✦ Partnership working with councils
- ✦ Sourcing additional funding packages
- ✦ Appropriate and effective maintenance planning tools
- ✦ The legislative context (including emerging legislation)

On approval of this strategy by Scottish Ministers, CMAL will seek to ensure integration of its Strategic Priorities within the wider Integrated Transport objectives for Scotland. CMAL will take forward specific harbour and pier developments and the fleet replacement programme under each of the Strategic Priorities within each action plan through working in partnership with key stakeholders. Work is continuing to improve the quality and responsiveness of CMAL core services and to address shared agendas with the current operator and local communities.