



3 year Corporate Plan

2009 to 2012

Corporate Plan 2009 to 2012

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Our Corporate Plan

We are pleased to present CMAL's first Corporate plan for 2009 to 2012. This plan outlines our Vision for the Vessels, Harbours and Piers which enable the delivery of the Clyde and Hebrides contract and sets out what we expect to achieve in the next three years.

We will continue to develop our relationship with the current operator, and the island and rural communities where our services have an impact. We will plan our investments through the use of the Scottish Transport Appraisal Guidance (STAG) process in order to enable us to target more clearly our activities that deliver outputs against our strategic priorities which in turn are aligned to the national objectives set out by the Scottish Government.

What we do

Working with stakeholders CMAL is committed to the long term development and improvement of the assets, both Vessels, Harbours and Piers, under our charge.

CMAL is wholly owned by Scottish Ministers and currently owns;

- 31 ferries of varying size, with one about to begin construction,
- 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 CalMac Ferries Limited, which recently won the open tender competition to run the lifeline ferry services on the West Coast of Scotland, and to

Cowal Ferries Ltd who run a ferry service between Gourock and Dunoon, and Rathlin Island Ferries Ltd who run between Rathlin Island and Ballycastle in Northern Ireland . 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.

Corporate Governance

Caledonian Maritime Assets Limited is a publicly owned company with Scottish Ministers as the sole shareholder. The Caledonian Maritime Assets Limited Board has appointed an executive management team and supporting staff at its headquarters in Port Glasgow.

The Strategic Priorities

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.

Our Mission, Vision, Goals and Values

Mission

'To provide, safeguard and develop ferries and harbours'

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.

Goals

To provide efficient, cost effective and safe vessels, harbours and associated port infrastructure for operators, communities and users in and around Scotland and, through consultation and involvement of all stakeholders and robust strategic planning, advise Scottish Ministers on future developments and improvements.

Our Guiding Values

Responsibilities:

- **To the Scottish Government** - to manage our business in

line with corporate governance best practice

- **To our Operators** - to provide the necessary vessels and infrastructure to enable our operators to deliver their obligations within the public services contract.
- **To Local Communities** - to understand the needs of local communities and to work with them to develop opportunities
- **To our people** - to respect the rights of our employees and to provide them with good and safe working conditions;
- **To our business partners** - to seek mutually beneficial relationships with current and future partners, contractors, suppliers, statutory bodies and tenants and to promote the application of these principles in so doing.
- **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 well being of the environment.

Business Integrity:

We insist on honesty, integrity and fairness in all aspects of our business.

Health and Safety:

CMAL has an absolute commitment to Health and Safety and accepts its obligation to protect its employees and other port users. To this end, we will measure, appraise and report on performance.

Communities:

We seek to be a responsible organisation by behaving in a socially responsible manner. We will endeavour to contribute to the economic well being and development of the communities where we conduct business.

Communication:

We recognise that open communication is essential, and will achieve this by having:

- ❖ Experts in managing and procuring assets
- ❖ Proficient financial management and reporting
- ❖ Developed the CMAL Brand and reputation for delivering on our Vision
- ❖ Robust processes and frameworks
- ❖ Innovative and dynamic people

Our Strategic Challenges

The Scottish Government is implementing its new policy programme through five overarching strategic objectives to focus government and public services to create a more successful country, with opportunities for all of Scotland to flourish through sustainable economic growth.

The corporate plan demonstrates our contribution to the achievements of national priorities by aligning our activities with the national and local priorities.

There will be ongoing budget pressures as a consequence of underinvestment in our harbour and pier infrastructure prior to the formation of CMAL, coupled with a commitment to provide modern, efficient ferries for our island and remote communities of Scotland. The challenge is that our financial arrangements will change accordingly and setting a three-year budget will allow us to plan with more certainty. Our spending plans therefore will be in line with the outcomes of this plan.

CMAL Measuring Success

- ✓ By implementing internal quality controls and processes we will maintain our fixed over heads to below 20% of our income enabling us to invest more on improving our services
- ✓ Through closer stakeholder consultation we will help deliver our projects on time, and to budget
- ✓ By providing more opportunities for commercial activity and becoming more effective in collecting revenues, coupled with our goal of accessing other funds (including European funds) we will increase our income by 5%
- ✓ By becoming more fuel efficient we will reduce our environmental impact, for example;
 - 1% reduction in fuel has annual savings of
 - = 1,200 Tonnes of CO2 produced
 - = £200,000

Vessels 3 yr Plan

The company currently owns a fleet of thirty one vessels with one additional vessel on order. All vessels are capable of carrying passengers, cars and freight and many are arranged to enable the carriage of the various categories of dangerous goods required to be shipped on and off the Islands. The vessels can be grouped into four different classes by size;

- Major vessels (8 in total)
- Intermediate vessels (7 in total)
- Loch type vessels (13 in total)
- Island type vessels (3 in total)

The majority of the vessels are on bareboat charter to CalMac Ferries Limited (CFL) until October 2013 and are operated by them on the Clyde and Hebrides Ferry Services (CHFS). The CHFS is a Public Service Contract awarded by the Scottish Government to operate a network of 28 routes serving 24 islands and linking 4 peninsulas. The remaining three vessels are chartered to Cowal Ferries Limited and Rathlin Island Ferries Ltd in Northern Ireland.

The vessels have been designed to meet the needs of the communities they serve in terms of economy, tourism and environment. The designs have also been constrained by the ports they operate from many of which required shallow draft, highly manoeuvrable vessels to enable them to operate safely and reliably and also flexibility of operational route. Additionally they are required to meet stringent flag

state requirements for passenger vessels and the requirements of the Classification Society.

The three main areas we will be focusing on are: -

1. Ensuring the existing vessels remain suitable for the services they are employed in

There is a requirement that the existing vessels remain in a condition suitable for the CHFS they are employed in; this is embodied in the agreements between the owner and charterer. Primarily the vessels hull, superstructure, machinery and all other equipment has to be inspected and maintained by the charterer in such a manner and at the required time intervals to enable the authorities to issue the necessary certificates allowing them to carry passengers, cars and freight.

In addition, to ensure the general level of service offered to the users is maintained and the asset value of the vessels is retained as much as possible there is a requirement to maintain the condition of all parts of the vessels at the level at which they were taken over by the charterer and also to identify any owner/charterer upgrades that may be necessary to give the users the changing level of safety and reliability comfort and service that is expected.

There is an ongoing requirement to identify and implement any statutory upgrades required by the various certifying regimes.

2. Ensuring that progress is made with the detailed designs of the New Islay vessel in line with the Shipbuilding contract schedules

The new vessel contract was awarded to the Remontowa yard in Gdansk, Poland following an EU procurement exercise in 2007. It is due to be delivered in the spring of 2011 and to allow fabrication of the vessel to commence on time to meet this schedule much of the detailed design work has to be completed this year. The Remontowa design staff have to interpret the requirements of the technical specification and turn these into detailed drawings for approval by the owners and the statutory authorities where required. Many of these drawings will require the machinery and equipment that are to be installed (type and manufacturer) to be known and to have been approved. These drawings in turn have to be further developed and enhanced with the required constructional detail to allow actual steel cutting and fabrication to start. By its nature it is an iterative process that may take several turns of a design spiral. This is the first shipbuilding contract to have been awarded since the commencement of the FCA and is subject to the terms of this agreement and also a bareboat charter for the hire of this vessel to CFL when completed.

To minimise the risks of the vessel being unable to meet the requirements of the users the technical specifications for the vessel were developed with input from them, there is also ongoing dialogue

between the CFL's shore and operational staff and CMAL staff. All design details and drawings are submitted to the relevant statutory authorities by the shipyard to ensure they comply with legislation. Staff from CFL, CMAL and the statutory authorities will be on site at the shipyard and equipment manufacturers to ensure the finished vessel is built to the approved designs.

The funding for the vessel is paid in instalments over the life of the contract at various agreed milestones such as the stage completion of vessel and final delivery. The Loan Funds to purchase the vessel have been made available by the Scottish Government and will be repaid over a set period once the vessel is delivered.

3. Developing plans for possible replacement vessels

CMAL has produced a 30 year fleet replacement programme which provides a comprehensive long term plan for ensuring that the average age of our fleet remains below 20 years, which is seen to be the optimum age for vessels operating on the Clyde and Hebrides routes.

We will work closely with The Scottish Government to agree funding for the replacement of our vessels, and will also seek alternative sources of funds from both private, commercial avenues and accessing grants from both Europe and UK programmes.

How the Strategy Supports National Outcomes through our Activities

Scottish Government National Performance Framework					
2009-2011	Key Activity	Activity details	Strategic objective	National outcome	National indicator and target
1	Delivery of new Islay vessel to enable an improved ferry service between Islay and mainland Scotland	<p>Attending to all processes and procedures required during the detailed design, construction and delivery of new vessel including</p> <ul style="list-style-type: none"> Attend progress meeting Plan approval Equipment approval Factory equipment testing Dock and sea trials Supervision of construction Liaison with Classification and flag state authorities. Managing contractual issues. 	<p>wealthier & fairer</p> <p>safer & stronger</p> <p>greener</p>	<p>We live in a Scotland that is the most attractive place for doing business in Europe.</p> <p>We reduce the local and global environmental impact of our consumption and production.</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs.</p>	<p>Grow exports at a faster average rate than GDP</p> <p>Increase the proportion of journeys to work made by public or active transport</p> <p>Increase the proportion of adults making one or more visits to the outdoors per week Reduce overall ecological footprint</p>
2	Upgrades of existing vessels to ensure they remain fit for purpose on the routes that they are to serve.	<ul style="list-style-type: none"> Liaising with the operator to agree any upgrades that may be required to vessels to ensure ferry users needs are being satisfied. Identifying upgrades that may be required to ensure the long term viability of the vessel. Identify upgrades that may reduce the costs of fuel consumed. Carrying out upgrades that are required from statutory authorities to allow vessels to continue to operate. 			

3	Reducing energy consumption (and emissions) on existing vessels to reduce fuel consumption and hence costs.	Working with consultants, specialists and educational establishments to carrying out surveys and audits on vessels and subsequently make alterations and or modifications to vessels that will reduce energy consumption that will result in reduced airborne emissions. Among systems to be analysed are Lighting, Heating and ventilation, Insulation, Pump and fan operation, Coatings ,Heat recovery	wealthier & fairer healthier greener safer & stronger	We live in a Scotland that is the most attractive place for doing business in Europe.	At least halve the gap in total research and development spending compared with EU average by 2011
4	Preparing statements of requirements for replacement vessels with an aim to standardise on vessel design and or equipment outfit.	Preparing template for generating basic statement of requirements for several classes of vessel that can be used to prepare outline specifications to include; General particulars including length, breadth, draft, speed, passenger and freight capacities etc. MCA class Classification society notations Endurance		We reduce the local and global environmental impact of our consumption and production. We live in well-designed, sustainable places where we are able to access the amenities and services we need.	Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum Reduce overall ecological footprint Improve knowledge transfer from research activity in universities
5	Developing concept designs for vessels that use green forms of energy and hence reduce reliance on hydrocarbon fuels. And or are fitted with exhaust emission reduction devices.	Commissioning studies on powering vessels that can utilise safely and reliably green forms of energy and thus cut consumption and reliance on hydrocarbon fuels, possible technologies include: Wind power Solar power Fuel cells LNG Cold ironing Battery systems Semi conductor drives AC/DC motors and generators. Catalytic convertors Scrubbers		We are better educated, more skilled and more successful, renowned for our research and innovation We value and enjoy our built and natural environment and protect it and enhance it for future generations	

Harbours and Piers 3 yr Plan

CMAL owns or leases property at more than 21 locations throughout Scotland.

At CMAL, we aim to create more certainty over when harbours will be improved, and we want to lead the development of ports owned by CMAL. So we are embarking on a number of projects which will start the enhancement and renewal process, by:

- working with the independent ports groups including; Ullapool Harbour Trust, Stornoway Port Authority, Mallaig Harbour Authority, Scrabster Harbour Trust to develop an integrated strategic infrastructure plan for harbours and piers and to secure funding to realise this plan. We were pleased to take responsibility for developing a framework with independent harbour trusts and have since established a grant management group and grant aid scheme. This will help safeguard the future development of such ports.
- Developing the Harbour Orders Programme which allows CMAL to meet its contractual obligations to provide harbour facilities for CalMac Ferries Ltd (CFL) to deliver lifeline ferry services.

- working closely with the current operator CFL to develop an interactive asset database and management programme at each port which will provide relevant information for ongoing maintenance and auditing operations.
- undertaking a review of the pricing structure applied for pier and berthing dues to ensure fair and open access to harbours across Scotland. Following consultation with industry stakeholders and interested parties, we are making a number of changes which will see some fees fall, as well as ensure fairness and consistency on rates applied across the network. The final details are being confirmed and this will be introduced in 2009.

Working in partnership with the current operators as well as consulting and involving local communities and stakeholders is key to the success of our objectives and we look forward to working through the challenges ahead with a fully consultative approach

How the Strategy Supports National Outcomes through our Activities

		Scottish Government National Performance Framework			
2009-2012	Key Activity	Activity Details	Strategic Objective	SG National Outcome	SG National Indicator
1	Develop Long term plans for infrastructure and improvement	<p>Work with the operator to identify required works</p> <p>Prepare plans to deliver works</p> <p>Ensure maintenance is carried out in line with plans</p> <p>Secure necessary funding to deliver works</p> <p>Develop further an integrated database for monitoring of maintenance programmes</p>	<p>Wealthier and Fairer</p> <p>Safer and stronger</p>	<p>Will provide well designed, sustainable facilities with the services required</p> <p>Will build strong, resilient and supportive community relations</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>
2	Improve and develop trusting operator and stakeholder relations	<p>Visit the communities which we serve regularly</p> <p>Meet with the operator on a routine basis</p> <p>Develop plans jointly with the operator and stakeholders</p>		<p>Will deliver a high quality public services</p>	<p>Improve public sector efficiency through the generation of 2% cash releasing efficiency savings per annum</p>
3	Review outcomes and undertake actions arising from the Ferry Review	<p>Lead the harbours and piers element of the review</p> <p>Undertake actions resulting from the ferry review</p>		<p>Will realise our full economic potential</p>	
4	Identify and source alternative funding and inform SG spending review for GIA	<p>Prepare long term infrastructure plans for CMAL and independent ports</p> <p>Develop a business case to secure SG funding</p> <p>Identify alternative funding sources and make necessary applications</p>			
5	Develop revenue opportunities for harbours and property where appropriate	<p>Market the facilities effectively</p> <p>Introduce a schedule of charges in line with activity where appropriate</p> <p>Work with existing customers to provide better facilities</p>			

Corporate Services 3yr Plan

A key part of CMAL's ability to deliver on all of our outcomes, relates to how we are able to develop our organisation in the future. The resources that are available and how we use these resources within CMAL are key considerations, which will influence our success over the next three years. Our 2008 Operating Plan and our newly introduced Strategic Planning processes based on the Balanced Score Card approach will help ensure that we continually review, and assess the impact of our activities against the national outcomes. This will in turn improve organisational efficiencies which will free up resources to better support our key services.

As well as driving our own internal efficiencies programme we will work with the current operator, local councils, and Scottish Government to explore ways in which new methods of working and organisational arrangements will further improve services and reduce costs and increase revenues.

We will develop our staff to support our desire for continuous improvement, and will introduce our new performance appraisal system, linked to a new pay remit in order to recognise and reward our staff in their delivery of high quality services. Training is a core part of CMAL's

culture and we will continue to improve training and development opportunities and physical working conditions to ensure that our staff are applying best practice and knowledge to the services and are able to carry out their role to the best of their ability.

CMAL is determined to foster a culture that will deliver high quality services which are supported by a 'can do' attitude at all levels of the organisation. We will achieve better corporate working and improve service co-ordination and exploit the tremendous opportunities that are available through the introduction and development of new technology.

Under our new logo and branding we have improved the corporate identity of CMAL and have begun to raise our profile with both internal and external stakeholders. This will help set expectations which we will deliver through a consistent and positive approach to the services we provide, maintaining a focus on the service users at all times. We aim to provide a flexible, high quality Asset Management service which will utilise our staff and resources to the best of our ability.

How the Strategy Supports National Outcomes through our Activities

Scottish Government National Performance Framework					
2009-2011	Key Activity	Activity Details	Strategic Priorities	SG National Outcome	SG National indicator
1	Putting in place resilient medium and long term plans	<p>To continue to update our 3year corporate and 10 year strategic plans in order that they receive Board and SG approval, and in doing so set future budgets</p> <p>Produce a Gaelic Plan, and implement an action plan from this that will help communicate the services and mission of CMAL to the Gaelic speaking community, whilst promoting Gaelic as part of Scotland's Heritage</p>	Effective Government	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>
2	Embedding internal processes and continuous improvement practices	<p>Introduce an Integrated Quality Management System based on the internationally recognised ISO standards</p> <p>Conduct a review of our ICT policies and to implement a 3 year programme that will ensure that we have the best of technology to enable us to deliver our mission and services to the highest standards</p> <p>Implement the recommendations from the staff performance appraisal review with a view to developing a system that is both fair, and open, motivating our staff to higher performance</p>			
3	Being a good employer	<p>implement the recommendations from the staff performance appraisal review with a view to developing a system that is both fair, and open, motivating our staff to higher performance</p>			