

[redacted] @gov.scot>[redacted]
[redacted] @transport.gov.scot>; [redacted]
[redacted] @transport.gov.scot>

Subject: MV Pentalina update

PO MfT, Cab Sec NZET, DFM

Regrettably, Pentland Ferries have advised CalMac that final inspections of the MV Pentalina in drydock have identified an issue with the propeller that means the vessel's **entry into service will be delayed by around 4 weeks** but could be sooner. CalMac advised that Pentland Ferries are frustrated with the delay, [redacted]

We await confirmation that all other matters have been resolved which will allow the charterparty to be signed tomorrow (7th February) which will secure the vessel for the CHFS fleet but no payments will be made until the vessel is in service.

While unwelcome, particularly in light of current resilience issues, this demonstrates the advantage of the 'time charter' model as Pentland Ferries are responsible for the vessels and resolving any such maintenance issues. Also, the longer stay in dry dock allows Pentland Ferries to complete other work that would previously have required a period of drydock later in the year.

We are seeking more detail from Pentland Ferries on this issue to allow us more certainty on timelines. And meantime, we are holding all public comms regarding the vessel. Should the charter party be signed tomorrow, we could issue the press release at any time to confirm that the vessel is secured or we could hold the release until we have more certainty on timings. Given the uncertainty we would recommend the latter.

Once more detail is provided we will provide further advice.

Kind Regards,

[redacted]

[redacted]

TS – Ferries Directorate

M: [redacted]
transport.gov.scot

Annex B - MV Pentalina update

(Note: this email was also included at the bottom of those in Annexes C and D as indicated below)

From: [redacted] @transport.gov.scot

Sent: 13 February 2023 17:29

To: Minister for Transport <MinisterFT@gov.scot>; Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; Deputy First Minister and Cabinet Secretary for Covid Recovery <DFMCSCR@gov.scot>

Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; [redacted] @transport.gov.scot>; [redacted]

[redacted] @gov.scot>; [redacted]
@transport.gov.scot>; [redacted]

@gov.scot>; Macdonald R (Roddy) <Roddy.Macdonald@gov.scot>; Cabinet Secretary for Rural Affairs and Islands <CabSecRAI@gov.scot>; Chalmers [redacted]

@transport.gov.scot>; Communications Finance & Economy <CommunicationsFinanceandEconomy@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [redacted]

@transport.gov.scot>; Press Transport Scotland <media@transport.gov.scot>; Transport Scotland Directors <DLECONPTSD@transport.gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>; Permanent Secretary

<PermanentSecretary@gov.scot>; Chief Financial Officer <cfo@gov.scot>; [redacted] @transport.gov.scot>; [redacted]

@transport.gov.scot>; [redacted]
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[redacted] @transport.gov.scot>; [redacted]

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@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]

@gov.scot>;

Deputy Director Infrastructure and Investment

<DeputyDirectorInfrastructureAndInvestment@gov.scot>; Hall K (Kate)

<Kate.Hall@gov.scot>; Gormley N (Nuala) <Nuala.Gormley@gov.scot>; MacDougall

J (Jamie) <Jamie.MacDougall@gov.scot>; Watson AA (Andrew)

<Andrew.Watson@gov.scot>; Director of Budget and Public Spending

<Directorofbudgetandpublicspending@gov.scot>; [redacted]

Minister for Parliamentary Business

<MinisterPB@gov.scot>; [redacted] @transport.gov.scot>;

[redacted] @transport.gov.scot>; [redacted]

@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@gov.scot>; [redacted]

@transport.gov.scot>; [redacted]

@transport.gov.scot>

Subject: Official Sensitive - MV Pentalina update

We have been asked to keep this matter confidential due to the potential staffing impacts of crew concerned.

POs MfT, Cab Sec NZET and DFM

We have received a further update from CalMac this morning.

Pentland Ferries have offered the charter of the MV Alfred rather than the MV Pentalina.

Pentland Ferries conducted sea trials in the Clyde over the weekend following the completion of their first drydock period. Following these trials Pentland Ferries [redacted] [redacted] are no longer willing to make the vessel available for time charter [redacted]

Furthermore reverting to a bareboat charter would be untenable [redacted]

However, the Pentland Ferries are also keen to not let us down at the last minute again, [redacted], and so their Board have taken the significant and unexpected decision to make their main and newest vessel the MV Alfred available for our charter instead. They will then use the MV Pentalina on their own Orkney service.

This change in approach has only just been communicated to CFL who now need to assess the implications for consideration. Most importantly our need for resilience tonnage has not gone away and the use of this newer, and likely more reliability vessel, should continue to aid this.

The MV Alfred is similar to the MV Pentalina but has a slightly larger capacity, more akin to our major vessel fleet, meaning she may be able to be deployed to directly replace one of our vessels providing more resilience redeployment opportunities. As the vessel is wider and longer, CFL will need to do a full berth-fit assessment to determine, even on a desktop basis, whether the vessel could deliver a service as envisaged for the MV Pentalina. This will be checked via the general arrangement drawings urgently.

[redacted]

CFL will urgently engage with their ship brokers to review [redacted] the deployment opportunities to identify the most advantageous period such a charter taking account of the 2nd Uig closure and the winter drydocking period.

Next Steps

This unfortunate change will delay the decision making regarding this charter and being able to confirm this publicly. CFL will review vessel costs, deployment and charter as soon as possible, likely by early next week, to provide more detail to inform decision making and then further advice will be provided to Ministers.

Regards, [redacted]

[redacted]

TS – Ferries Directorate

M:[redacted]
transport.gov.scot

Annex C - MV Pentalina update

From: [redacted] @transport.gov.scot
Sent: 20 February 2023 16:23
To: Chief Executive Transport Scotland <ceo@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@gov.scot>; [redacted]
@transport.gov.scot>
Cc: [redacted] @transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@transport.gov.scot>; [redacted]
@transport.gov.scot>
Subject: FW: Official Sensitive - MV Pentalina update

Michelle/Finance colleagues,

Please note this remains commercially sensitive and confidential.

We met with Calmac today to get further detail on the operation of the MV Alfred Vs MV Pentalina.

They have confirmed that the MV Pentalina is no longer available for any form of charter for the reasons outlined below. They also confirmed that they were surprised by the offer of the MV Alfred, which came entirely from Pentland Ferries themselves. The MV Alfred is by far the better option as a resilience vessel for the CHFS route, albeit a slightly more expensive one, given her capacity is more comparable to that of the MV Caledonian Isles (if not slightly more).

We are proposing that Calmac continue discussions with Pentland Ferries with a view to chartering the Alfred [redacted]

[redacted] which would see a charter of around 38 weeks
[redacted] (taking us to the end of December). [redacted]

the increased resilience this brings helps to offset this and should cover us to the period that MV Glen Sannox enters service – in our view this is still the same overall project. **On this basis we would propose to note to Ministers that we have asked Calmac to proceed on basis of the existing authorisations and that we look to conclude the agreements as soon as possible. I would be grateful for confirmation you are content with this approach.**

Separately, I will also flag to Ministers the potential sensitivity around the switching of the charter that will leave the Pentalina rather than the newer Alfred on the Gills Bay to St Margaret's Hope route. Although this proposal came entirely voluntarily (and surprisingly) from Pentland Ferries and will reflect their own commercial considerations of the right approach to take with its assets as a private company, there may be some concern that this is a downgrading services to Orkney in favour of the West Coast routes [redacted]

have asked Calmac to engage with PF to make sure they have clear comms for this with their own stakeholders.

Grateful if you could let me know about the above as soon as possible to allow me to update Ministers.

[redacted]

[redacted]

Head Of Ferries Branch

[redacted]

[Note from FOI case handler: Email shown in Annex B then followed]

Annex D - MV Pentalina update

From: [redacted]

@transport.gov.uk

Sent: 23 February 2023 10:08

To: [redacted]

@transport.gov.scot>; Minister for Transport <MinisterFT@gov.scot>; Cabinet Secretary for Net Zero, Energy and Transport <CabSecNetZET@gov.scot>; Deputy First Minister and Cabinet Secretary for Covid Recovery <DFMCSCR@gov.scot>

Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; [redacted]

@transport.gov.scot>; [redacted]

@gov.scot>; [redacted]

@gov.scot>;

Macdonald R (Roddy) <Roddy.Macdonald@transport.gov.scot>; Cabinet Secretary

They have confirmed that the MV Pentalina is no longer available for any form of charter for the reasons outlined in the note from [redacted] below. Calmac also confirmed that they were surprised by the offer of the MV Alfred, which came entirely from Pentland Ferries themselves. This appears to be a wholly commercial decision by Pentland Ferries to see the best use of their assets – [redacted]

MV Alfred

The MV Alfred is by far the better option as a resilience vessel for the CHFS route, albeit a slightly more expensive one, given her capacity is more comparable to that of the MV Caledonian Isles (if not slightly more) so she provides the ability to better maintain service levels and volumes in any outage. The vessel will also provide a better passenger experience and likely be more reliable given she is a relatively new vessel.

We have advised Calmac to continue discussions with Pentland Ferries with a view to chartering the Alfred [redacted]

This would see a charter of around 38 weeks [redacted] (taking us to the end of December). [redacted]

the increased resilience this brings helps to offset this and should cover us to the period that MV Glen Sannox enters service – in our view this is still the same overall project and proceeding on this basis is recommended by both Calmac and Transport Scotland.

Calmac are working to conclude the signing of the Charter as soon as possible – ideally early next week, although certifications and bank approval are still awaited from Pentland Ferries.

Sensitivity

I would also note the potential sensitivity around the switching of the charter that will leave the Pentalina rather than the newer Alfred on the Gills Bay to St Margaret's Hope route. Although this proposal came entirely voluntarily (and surprisingly) from Pentland Ferries and reflects their own commercial considerations of the right approach to take with its assets as a private company, there may be some concern that this is a downgrading services to Orkney in favour of the West Coast routes. [redacted]
[redacted]

I have asked Calmac to engage with Pentland Ferries to make sure they have clear comms for this with their own stakeholders and staff and that they own the decision to deploy the MV Alfred.

Recommendation

On the basis of the above we would recommend to Ministers Calmac to proceed on basis of the existing authorisations and that we look to conclude the agreements as soon as possible. I would be grateful for confirmation you are content with this approach as soon as possible.

Please let me know if you need anything further on this.

[redacted]

[redacted]

Head Of Ferries Branch

[redacted]

[Note from FOI case handler: Email shown in Annex B then followed]