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## Record of meeting

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<b>Project</b>	Road Equivalent Tariff Study	<b>Date</b>	22 January 2008
		<b>Ref</b>	CTOAIY
<b>Subject</b>	Progress Meeting	<b>Page</b>	1 of 5

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**Venue** Victoria Quay, Scottish Government  
**Date held** 21 January 2008  
**Present** Graham Laidlaw (GL); Brian Wither (BW); Joanne Briggs (JB) - Scottish Government  
Paul McCartney (PM); Gordon Dickson (GD); Pamela Gidney (PG) – Halcrow  
Phil Preston (PP) – CalMac  
**Apologies** Neil Johnstone (Halcrow)

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### Action

#### General Policy

GL advised a Ministerial submission had been sent to the Minister outlining a series of recommendations for the design and implementation of the Pilot Study. Feedback expected by w/e 25 January 2008. GL/BW to notify Halcrow of feedback received. GL/BW

#### Phase 1 Stage 2 Report

Discussion concerning the Stage 1 Phase 2 Report included:

- GL and JB noted explanation was required of how the core fare element had been derived. GL advised he would be happy for justification to be based on issues of affordability and fixed costs.
- GL noted the key factor was the reduction in fares with RET providing a mechanism to achieve this.
- PM clarified the fares for CVs are based on the length of the vehicles.
- There was discussion concerning the exclusion of inter-island ferries. PM noted some consultees had commented these services were contributing most in terms of the growth of island economies. GL clarified the manifesto commitment referred only to links to the mainland and the pilot would be delivered on this

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**Action**

basis.

- GL commented that the reductions in CV fares under RET were possibly too generous and expressed concern that this may open up island economies to competition from the mainland. PM clarified the figures presented in the report were based on published fares and did not include discounts offered by CalMac which can extend up to 15%.

Actions agreed for the Stage 2 Report included:

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- Justification required of how the core fares were derived.
- Structure of Passenger Chapter to be reviewed.
- Examples required of the impact of larger fares i.e. £0.50 and £0.70.
- Insert “0” where fares increase under RET with emphasis that existing fares are already lower than they would be under RET.
- Highlight typical engine size data in relevant tables of report.

GL provided PM with a hard copy of the report containing more detailed comments and JB  
JB agreed to e-mail PM with further comments.

**Phase 1 Stage 3 Report**

JB and GL commented the assessment presented in the report was limited and primarily based on anecdotal evidence and previous studies. However, it was recognised the magnitude of change in fares which RET would bring had not been introduced before and the modelling of potential impacts in quantitative terms was not possible within the timescales available.

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Actions identified and agreed for the Stage 3 Report included:

- Detail to be added on the Air Discount Scheme, including passenger numbers.
- Narrative required to link the rationale for RET to the Government Economic Strategy; the Government’s strategic objectives and the Spending Review which will together also provide a baseline for the monitoring of the Pilot Study.

**Action**

- Table required to present revenue changes for the whole network (CHFS and Northlink).
- Introduction requires a map of the whole network and individual chapters should also include maps of the relevant sections of the network.
- Clarification required of the types of goods exported from the Western Isles to England; definition of “guest houses” and definition of 250+ employee statistics.
- Include examples of changes in revenue as a result of change in demand.
- Include impacts on demand using elasticities from previous research

GL provided PM with a hard copy of the report containing more detailed comments and JB agreed to e-mail PM with further comments.

BW to provide copy of recommendations submitted to Minster.

JB

*Phil Preston from CalMac joined the meeting to discuss the Pilot Study.*

**Phase 1 Stage 4 Report/Pilot Study**

BW

PP clarified the winter timetable would start in October 2008 and, following the accommodation of block bookings by hauliers and coach tours, reservations would open to the public in August 2008.

GL confirmed the RET fares would include a core element and fare per mile:

- Passenger: £2 plus £0.10 per mile
- Car: £5 plus £0.60 per mile
- CV: £20 plus £0.18 per metre per mile (including driver)

PP noted the CalMac booking system would be unable to accommodate a core fare element alongside a fare per mile rate, however this was considered an issue which could be resolved. PP also noted current CV fares are charged on a half-metre basis. GL confirmed it would be acceptable to continue on this basis under RET using the proposed fare per metre.

**Action**

There was discussion concerning the implementation of the Pilot Study and the following points were agreed.

- CV rates under RET would adopt the same principles as present.
- Examples required of the impact of fares for different types of vehicles e.g. trailers, motorhomes.
- Mobility vehicles (currently entitled to tax exemption receive a 50% discount at present) would pay no more than at present.
- Re-calculation of Hopscotch ticket required (value of buying ticket to be reviewed/confirmed). Halcrow/  
PP
- Discount to remain on the Stornoway to Ullapool freight route.
- No refund to be offered on multi-journey tickets purchased ahead of the introduction of RET. PP

There was discussion concerning the monitoring of the Pilot Study. PM confirmed this would be addressed by the Phase 1 Stage 5 Report. The intention is for the monitoring programme to link with the Government's Economic Strategy, the Government's strategic objectives and the Spending Review with socio-economic data, carrying figures and passenger surveys providing the basis for developing a series of indicators to monitor the impact of the Pilot Study.

PP also noted further discussion would be required with the Scottish Government to discuss the contractual implications arising from RET and also arrangements for financial recovery to CalMac.

PP confirmed he was content for the revenue changes reported in the Stage 2 report to remain within the document.

GL/PP

*PP left the meeting.*

**Presentation**

PM confirmed a meeting had been arranged for 31 January 2008 in Inverness (12.30pm for 1pm start at the Columba Hotel) to provide stakeholders with an update on the study and the opportunity to discuss the findings. PM agreed to e-mail to attendees to confirm

**Action**

details of the meeting.

Structure of presentation agreed as follows:

PM

- Introduction/Background – 5 to 10 mins (GL)
- Progress report – 30 to 40 mins (PM)
  - Summary of Phase 1 Stages 1 to 4
  - Next Steps – Phase 1 Stage 5 (monitoring framework/baseline)

PM agreed to send GL outline structure of presentation by 29 January 2008.

PM

**Author** Pamela Gidney  
**Copy** Graham Laidlaw; Brian Wither; Joanne Briggs - Scottish Government  
Paul McCartney ; Gordon Dickson – Halcrow