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Net Zero, Energy and Transport Committee
c/o Clerk to the Committee
Room T3.40
The Scottish Parliament
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30 September 2025

Dear Edward,

CHFS3 COMMENCEMENT OF SERVICES

Following Cabinet agreement that a direct award (in reliance on the exemption in Regulation 13(1)(a) of the Public Contracts (Scotland) Regulations 2015) of the CHFS3 contract should be made to CalMac Ferries Limited (CFL), I am pleased to confirm that the necessary legal arrangements have been made for these services to commence on 01 October 2025 as planned.

Implementation of the new arrangements represents a significant milestone in the delivery of these services, providing a firm foundation to enhance and improve them in parallel with Ministers' ongoing investment in new vessels and upgrades to port infrastructure.

The CHFS3 arrangements provide greater flexibility to cater for future policy and operational initiatives, which will help improve the overall resilience and reliability of these ferry services. Enhanced performance monitoring with KPIs that better reflect passenger experience will also be kept under close review to provide greater transparency, and inform any service improvements necessary to meet community needs. We will of course need to consider any enhancements within broader financial constraints, to ensure value for money in the face of ongoing pressure on public finances.

The NZET Committee report "*A Modern and Sustainable Ferry Service for Scotland*", published in June 2023, has been helpful as part of our overall considerations to shape the new contract. Our consideration of the various committee recommendations has resulted in some material changes to the services. For example, extension of the initial contract duration to 10 years (in line with report recommendation 28); the introduction of an enhanced performance regime with new performance measures and key performance indicators to better reflect passenger experience (reflecting report recommendation 2); and, in relation to report recommendation 19, I would note that the requirement for ongoing engagement with the Ferries Community Board has now been formally written into the CHFS3 contract. I

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would be happy to provide further detail on how the overall committee report was considered in the development of the new arrangements when I attend your meeting on 07 October.

In addition to your committee report, the stakeholder engagement carried out was also invaluable for informing the development of the new contract. This included two formal public consultations (the CHFS3 consultation itself which closed in March 2024, followed by the Islands Connectivity Plan Consultation which then closed in May 2024), as well as a variety of community drop-in events across the network. This allowed us to engage with a wide range of stakeholders and communities to hear directly on matters of importance to them.

I would like to assure the committee that post-award, we will continue to engage with all stakeholders as we strive for continual improvement across the services. I also intend to host another roundtable event in early 2026 where stakeholders can collectively reflect on the first months of operation under the new arrangements.

The Scottish Government remains fully committed to ensuring the most efficient and best value arrangements to deliver key ferry services to our island and rural communities. Recognising that the new arrangements will no doubt need some time to bed in I believe that, taken alongside our ongoing infrastructure investment and wider policy initiatives, we are on the right path to achieve that.

Yours sincerely,



FIONA HYSLOP
Cabinet Secretary for Transport