

**Subject** Dunoon and Kilcreggan Ferry Terminals: Outline Business Case – Project Update

**Our reference** 100101197/BN/03

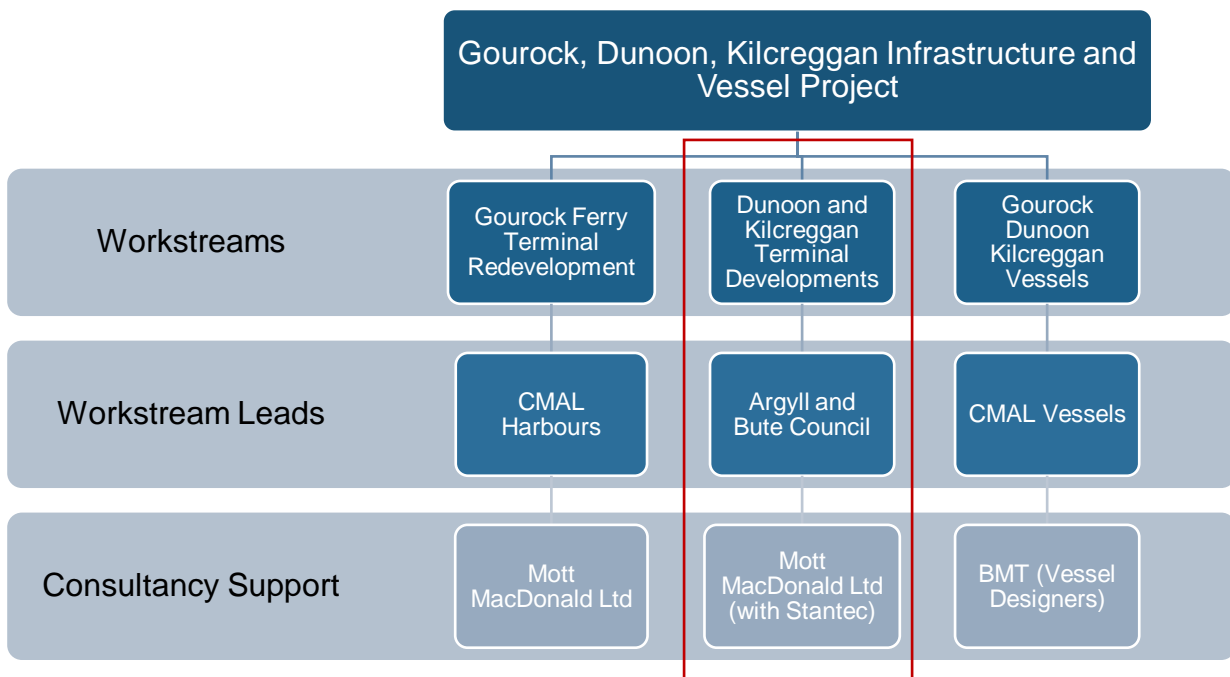
**Date** 18th January 2022

## 1 Introduction

Argyll and Bute Council Marine Services (A&BC) has commissioned Mott MacDonald Ltd. (in partnership with Stantec UK Ltd.) to support the preparation of an Outline Business Case (OBC) for the redevelopment of the passenger only service infrastructure at Dunoon and Kilcreggan Ferry Terminals.

The Dunoon and Kilcreggan OBC is one of three workstreams under the overarching 'Gourock, Dunoon, Kilcreggan Infrastructure and Vessel Project', as shown in Figure 1-1.

Mott MacDonald are concurrently supporting Caledonian Maritime Assets Limited (CMAL) with the OBC for the redevelopment of Gourock Ferry Terminal. BMT have been appointed as vessel designer by CMAL.



**Figure 1-1: Gourock, Dunoon, Kilcreggan Infrastructure and Vessel Project Structure**

The aim of this briefing note is to:

- Provide clarity on the overarching project programme,
- Provide information on the scope of each sub-project,
- Confirm the business case process which will be followed,
- Confirm the approach to stakeholder consultation and public engagement, and
- Provide information on the proposed preferred options for the infrastructure at Dunoon and Kilcreggan Ferry Terminals, which will be presented to the public via a virtual public engagement exercise.

## 2 Gourock, Dunoon, Kilcreggan Infrastructure and Vessel Project

The Gourock, Dunoon, Kilcreggan Infrastructure and Vessels Project is a collaborative project between Transport Scotland (TS), CMAL, A&BC and CalMac Ferries Ltd (CFL). The aim of this project is to realise a resilient ferry service which will facilitate sustainable economic growth and social inclusion for the wider Dunoon and Kilcreggan communities. The project is being completed in line with Transport Scotland's Business Case methodology and more information on this is provided in Section 3 of this briefing note.

The Gourock, Dunoon, Kilcreggan Infrastructure and Vessel Project developed an overarching Strategic Business Case (SBC) for the project, which was completed in August 2020. However, the project has split into a number of workstreams, illustrated in Figure 1-1 above. These workstreams report progress and agree milestone decisions with the project Working Group which includes TS, CMAL, A&BC, CFL.

There is a wider Reference Group consisting of A&BC Planning Department, Peel Ports, Dunoon Community Council, Cove and Kilcreggan Community Council, Gourock Community Council, Inverclyde Community Council and Inverclyde Council. The Reference Group is being consulted at key points in the OBC process.

The Dunoon and Kilcreggan Ferry Terminals OBC is expected to report during Spring / Summer 2022 and will be published thereafter.

## 3 The Business Case Process

In making a case for transport-related capital investment in Scotland, a business case requires to be developed following the principles set out in the Transport Scotland document *Guidance on the Development of Business Cases in Transport Scotland*. The Guidance incorporates a three-stage process, as shown below:

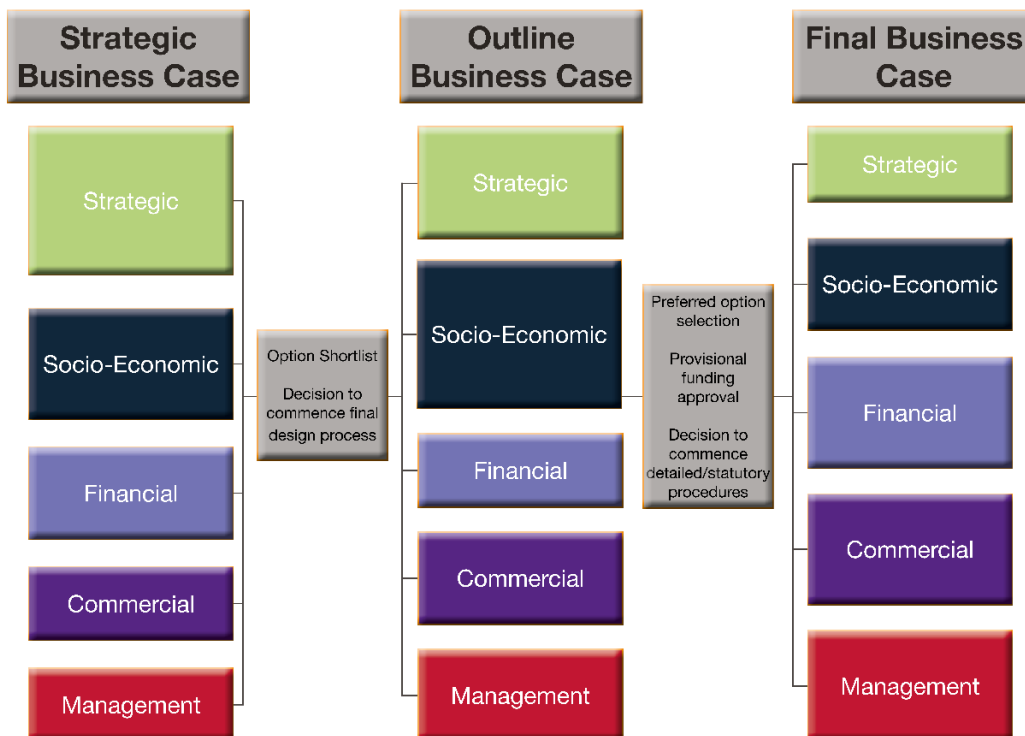


Figure 3-1: Business Case Process

### 3.1 The Strategic Business Case – Completed August 2020

Transport Scotland and CMAL prepared the Strategic Business Case (SBC) for the wider Gourock, Dunoon, Kilcreggan Infrastructure and Vessels Project in 2020. The SBC has been presented to and approved by the Transport Scotland Investment Decision Making (IDM) Board.

A&BC are now progressing the Dunoon and Kilcreggan infrastructure aspects of the project through Outline Business Case (OBC) stage.

It should be noted that the purpose of a Strategic Business Case (SBC) is to:

- Identify and evidence transport problems and opportunities which need to be addressed,
- Establish objectives which any investment should seek to deliver, and
- Generate, develop and appraise a range of options which could address the identified problems in line with the study objectives.

The SBC noted the following for Dunoon and Kilcreggan:

- The infrastructure at Dunoon and Kilcreggan should be improved to ensure fit for current and future vessels,
- There is a desire to improve resilience and reliability of both the Gourock-Dunoon and Gourock-Kilcreggan passenger only services, and
- There is a desire to improve accessibility to the vessel and infrastructure at Gourock, Dunoon and Kilcreggan, providing improved access across these routes.

The SBC did not develop options for the infrastructure at Dunoon or Kilcreggan and therefore at the outset of the OBC, initial development and assessment of a number of options has been completed to identify a preferred option for each location which meets the objectives and demonstrates value for money.

### 3.2 Dunoon and Kilcreggan Outline Business Case – January 2021 (Ongoing)

The OBC further develops and progresses the SBC to the point that it identifies preferred options for the terminal infrastructure at Dunoon and Kilcreggan. Once preferred options have been identified, the Commercial, Financial and Management Cases (see Figure 3-1 above) establish how each preferred option will be funded, procured, delivered and managed.

The Dunoon and Kilcreggan Ferry Terminals OBC is expected to report during Spring/Summer 2022.

The main steps in the OBC process are as follows:

#### **Strategic Case**

MML and Stantec have reviewed the Strategic Case and the “Case for Change” set out in the Gourock, Dunoon, Kilcreggan Infrastructure and Vessels Project - Strategic Business Case (SBC) to identify any changes or developments in the Strategic Case since the SBC was written.

#### **Socio-Economic Case**

MML are leading the detailed development of the **Socio-Economic Case**. This includes:

- Review of the Problems, Issues, Constraints and Opportunities identified in the SBC and undertake initial Stakeholder Consultation to ensure these remain current (now complete),
- Confirmation of the requirements for the redevelopment of Dunoon and Kilcreggan Ferry Terminals (now complete),

- Initial development and appraisal of options for the infrastructure at Dunoon or Kilcreggan to ensure that a preferred option can be identified for each location which meets the objectives and demonstrates value for money. Options which do not meet the above will be sifted out (now complete),
- Appraisal of the remaining options against TPOs and Scottish Transport Appraisal Guidance (STAG) Criteria to select the **proposed preferred option for each terminal** (now complete),
- Stakeholder consultation to gather feedback on the proposed preferred options (Reference Group meetings held and public engagement imminent),
- Significant further development of the preferred options and their costs, and
- Incorporate stakeholder comments into the preferred options.

At the conclusion of the Socio-Economic Case, a **preferred option for each terminal** will be confirmed and will be developed to outline design status.

Necessary phasing of construction will also be developed to meet the ongoing operational needs and the programme for the overall Gourock, Dunoon, Kilcreggan Infrastructure and Vessels Project.

### Commercial, Financial and Management Cases

Working with Argyll & Bute Council, MML and Stantec will lead the outline development of the **Commercial, Financial and Management Cases**, which set out the initial proposition for the financing, procurement, delivery and management of the preferred options.

## 4 Outline Programme

**Table 4-1: Outline Programme for Dunoon and Kilcreggan OBC**

Task	Anticipated Timeline	Status
MML and Stantec appointed to support the Dunoon and Kilcreggan OBC	January 2021	Complete
Review of SBC, Baselineing and Setting TPOs	February – April 2021	Complete
Working Group Inception	February 2021	Complete
Working Group TPO Setting	April 2021	Complete
Develop Infrastructure Options and Costings	April – November 2021	Complete
Appraise Options against TPOs and STAG Criteria	November - December 2021	Complete
Working Group, Reference Group and Public Engagement on Proposed Preferred Options	December 2021 – February 2022	Ongoing
Confirmation of Preferred Options	February 2022	Awaited
Development of Preferred Options to Outline Design	February – April 2022	Awaited
Development of Commercial Financial and Management Cases	November 2021 – March 2022	Awaited
March Harbour Board Reporting	March 2022	Awaited
OBC Draft Reporting	April 2022	Awaited
Working Group Report Review and Further Reference Group Liaison	May 2022	Awaited
OBC Final Reporting	May – June 2022	Awaited
September Harbour Board Reporting	September 2022	Awaited

## 5 Stakeholder Engagement and Public Consultation

### 5.1 Working Group

Argyll and Bute Council is the immediate client for the OBC study. However, the study is guided by inputs from a wider Working Group which comprises Argyll and Bute Council, CMAL, Transport Scotland and CalMac Ferries Ltd. The Working Group meet regularly to review, advise on and challenge all aspects of the OBC.

### 5.2 Reference Group

The Working Group have set up a project Reference Group to consult with at key stages in the process. The role of the Reference Group is to advise the project team on problems, issues, opportunities and constraints specific to Dunoon and Kilcreggan and in relation to use of each ferry terminal.

Each Reference Group member is tasked with representing the views of a wider group, including ferry users, community councils, the local and wider communities, and commercial users etc.

A substantive task in the OBC process has been the technical development and more detailed costing of the infrastructure options for Dunoon and Kilcreggan Ferry Terminals and the appraisal of these options. As outlined in Table 4-1, this took place over the period to December 2021. The output from this process has been discussed with the Reference Group and is being made available for the wider stakeholders and general public via this Briefing Note and the imminent virtual public engagement exercise.

### 5.3 Wider Stakeholder Consultation

Now that the view on the proposed preferred options is established with the Working Group and has been shared and confirmed with the Reference Group, the outcomes are being presented to wider stakeholders and to the public via this Briefing Note.

The purpose of the wider consultation programme is to:

- Explain the process and technical development work undertaken,
- Seek feedback on the proposed preferred options (both positive and negative), and
- Set out the next steps in terms of the business case.

It is intended to contact the following wider stakeholders as part of the consultation process:

- Marine Scotland, SEPA, Nature Scotland and HES (Statutory Stakeholders),
- HITRANS (Wider Stakeholder),
- QHM Clyde (Queen's Harbour Master) (Wider Stakeholder),
- Clyde Marine Planning Partnership (Wider Stakeholder),
- Mobility Access Committee for Scotland (Wider Stakeholder),
- Dunoon Gourock Ferry Action Group (Wider Stakeholder),
- Clyde Marine (Wider Stakeholder),
- Kilcreggan Ferry User Group (Wider Stakeholder),
- Professional Diving Academy (Wider Stakeholder),
- Waverley Steam Navigation Company (Wider Stakeholder), and
- MOD Police (Wider Stakeholder).

In order to ensure that stakeholders have sufficient time to review and digest the main findings, this stakeholder consultation is being undertaken in writing (via email). This Briefing Note and a covering letter are being sent

to stakeholders and a written response sought in return. A dedicated contact is provided, allowing stakeholders the opportunity to discuss any issues / comments / concerns / questions with a member of the team over the telephone if required.

## 5.4 Public Engagement

The format of public engagement follows local and government COVID-19 restrictions and will be presented via virtual, pre-recorded presentations, made available for the public to view when most convenient to them.

This material will be posted on A&BC's website, CMAL's website and will be advertised within CFL waiting rooms and on ferries, on social media and in the local press.

This engagement will take place alongside the Wider Stakeholder Consultation now that the proposed preferred options have been confirmed with the Working Group and Reference Group.

Material will display the context of the OBC, the process followed, the options considered and their scoring in the appraisal, the proposed preferred options and the reasons for their selection, together with the next steps.

The public will also be provided with a questionnaire to provide their feedback and comments on the proposed preferred options and provide comment on any further requirements that they think should be provided as the study progresses into more detailed development of the preferred options.

For those who are not able to access material online, hard copies of the material can be posted to those who request it.

General public acceptability of the preferred options is an essential element of any business case and forms part of the range of assessment criteria against which a project is judged. Following on from the engagement process, the project team will:

- Revisit the preferred options to confirm they remain the most appropriate means of delivering the project objectives,
- Incorporate any relevant feedback or additional information,
- Refer any fundamental issues arising with the preferred options to A&BC and the Working Group for further consideration, and
- Complete reporting of the OBC before submitting to Transport Scotland Investment Decision Making Board.



## 6 Proposed Preferred Options for Infrastructure Development

### 6.1 Introduction

Mott MacDonald and Argyll and Bute Council have developed a wide range of options for the infrastructure at Dunoon and Kilcreggan Ferry Terminals. These options have been created with the aim of meeting the agreed project requirements, whilst recognising the constraints imposed on the future development of the terminals to support the scheduled ferry services to Gourock.

Each infrastructure option has been appraised against project specific Transport Planning Objectives (TPOs) and Transport Scotland's STAG Criteria and the preferred proposals have been discussed and agreed with the project Working Group.

The proposed preferred options have also been presented to and confirmed with the project Reference Group, with no major objections raised to the process or outcomes of the OBC to date.

The proposed preferred options are described below.

### 6.2 Dunoon – Proposed Preferred Option

Subject to views emerging from the stakeholder consultation and public engagement activities, the proposed preferred option for the infrastructure at Dunoon Ferry Terminal is 'Option 1d'.

Indicative layouts for Option 1d are provided in Figure 6-1 and Figure 6-2 below:

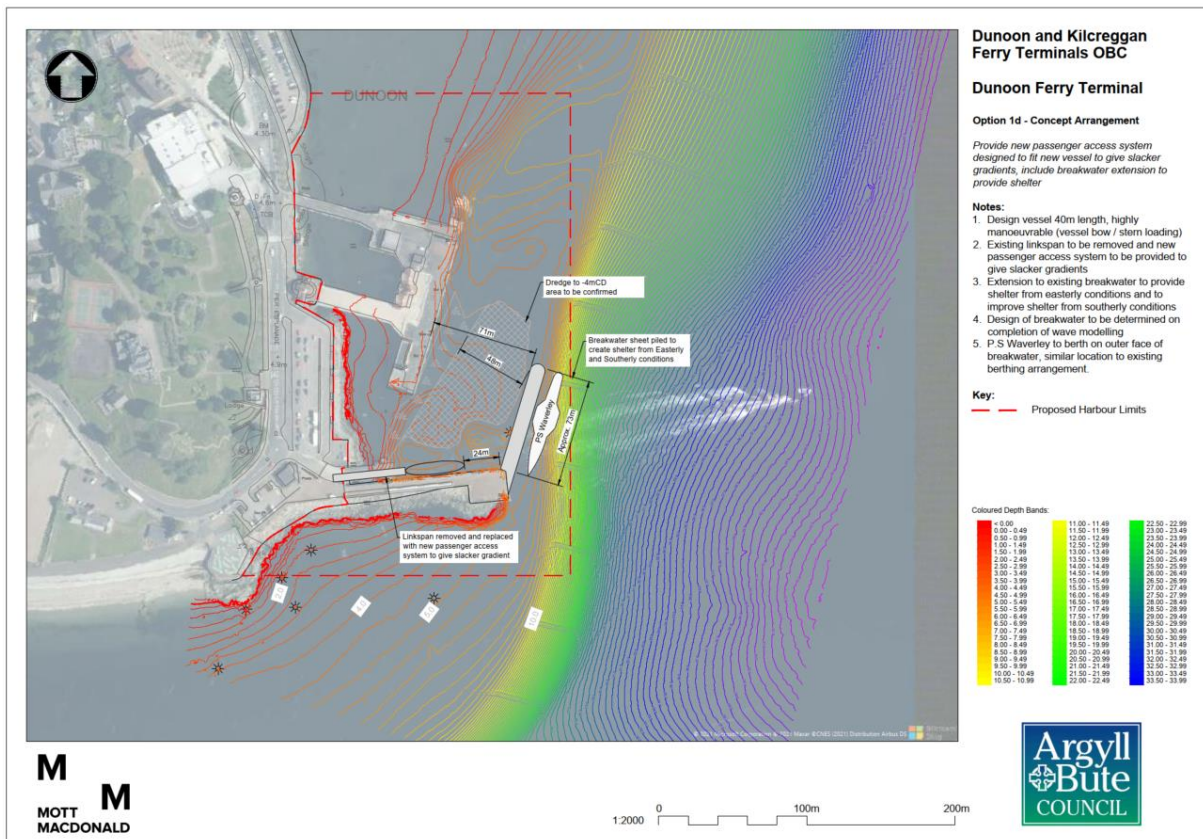
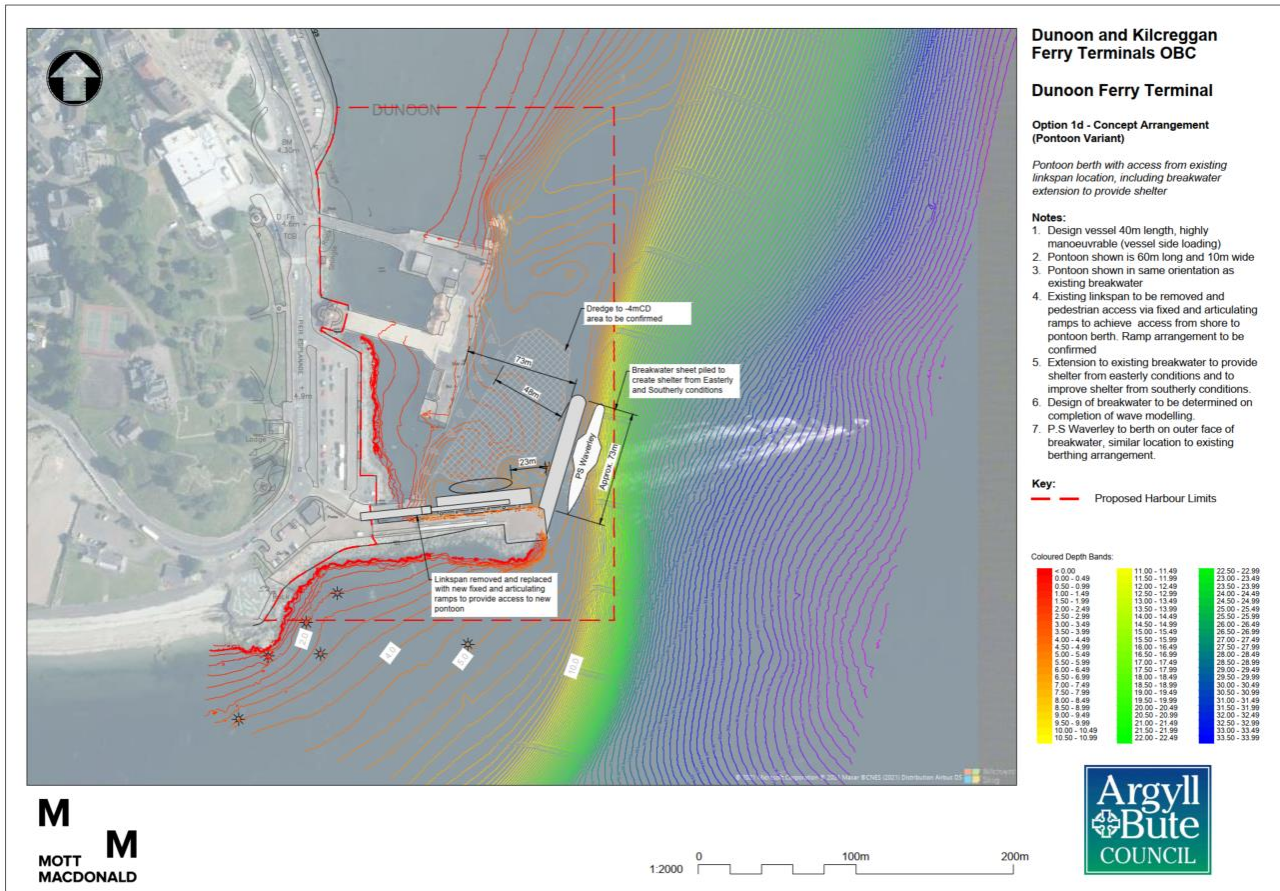


Figure 6-1: Proposed Preferred Option for Dunoon Ferry Terminal (Vessel Bow/Stern Loading)



**Figure 6-2: Proposed Preferred Option for Dunoon Ferry Terminal (Vessel Side Loading)**

A brief description is provided below:

- The existing linkspan will be removed and new passenger access arrangements installed to provide sacker gradients and improved access to the ferry, as shown in Figure 6-1. Subject to vessel design, a variation of this option may include a floating pontoon, as shown in Figure 6-2,
- The existing breakwater will be extended to provide shelter from easterly conditions and improve shelter from southerly conditions,
- It is proposed that the breakwater extension will also serve as the berth for the P.S Waverley which will berth on the outer face of the breakwater, and
- Dredging may be required within the harbour area to facilitate the new vessel; however, this will be confirmed upon confirmation of the new vessel design.

Numerical modelling of the wave climate at Dunoon is ongoing and will be completed to inform the outline design of the preferred option. It should be noted that as a result of this wave modelling, the breakwater may be reorientated or extended to provide adequate shelter at the berth to support a resilient and reliable ferry service.

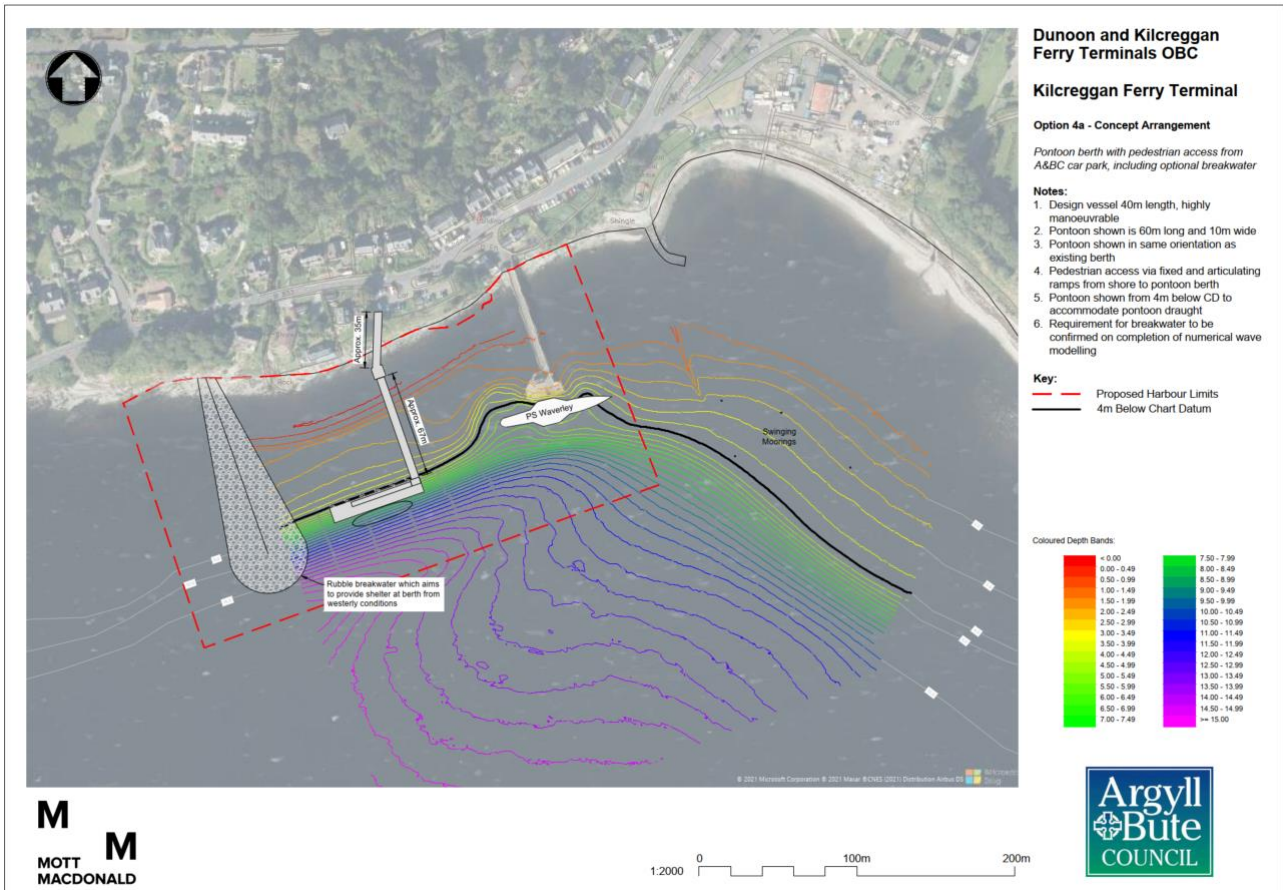
As the proposed breakwater extension extends beyond the current A&BC Statutory Harbour Authority limits at Dunoon, a Harbour Revision Order will be progressed by A&BC to revise the limits such that ferry terminal infrastructure falls within the revised limits.



### 6.3 Kilcreggan – Proposed Preferred Option

Subject to views emerging from the stakeholder consultation and public engagement activities, the proposed preferred option for the infrastructure at Kilcreggan Ferry Terminal is 'Option 4a'.

An indicative layout for Option 4a is provided in Figure 6-3 below:



**Figure 6-3: Proposed Preferred Option for Kilcreggan Ferry Terminal**

A brief description is provided below:

- A pontoon berth will be constructed off-site and installed to the west of the existing timber pier with improved passenger access from fixed and articulating gangways,
- A breakwater may be required to the west of the new pontoon to provide shelter to the new berth from westerly conditions, and
- It is proposed that the existing timber pier would continue to be used for berthing of the P.S. Waverley and other potential harbour users.

Numerical modelling of the wave climate is ongoing and will be completed to inform the outline design of the preferred option. It should be noted that the requirement for the breakwater will be confirmed or otherwise as an output of the wave modelling. If required, it may be repositioned, reorientated or extended to provide adequate shelter at the berth to support a resilient and reliable ferry service.

As Kilcreggan Ferry Terminal is not currently within A&BC Statutory Harbour Authority limits, a Harbour Order will be progressed by A&BC ensure the ferry terminal infrastructure falls within A&BC harbour limits.