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Dear stakeholder

UPDATE ON PROPOSED CROSS-FORTH HOVERCRAFT SERVICE

I am writing to provide you with an update on Stagecoach's plans to establish a permanent cross-Forth hovercraft service. I would also like to invite you to attend one of the community meetings we are hosting shortly to outline the latest developments.

Over the past few months, we have made made further progress with our plans. We now have in place a joint venture agreement with Bland Group and a combined £14million funding package as we move forward with our plans.

Bland Group is a 200-year-old family-owned business who own Griffon Hoverwork Ltd, the world's leading hovercraft manufacturer and Hovertravel, the highly successful hovercraft service that links Portsmouth and the Isle of Wight. Their hovercraft have been sold to 39 countries across six continents and their fast, frequent Portsmouth-Isle of Wight service carries more than 800,000 customers annually.

Under the heads of terms agreement, Stagecoach and Bland Group would manufacture and operate the two hi-tech hovercraft required for a permanent service between Kirkcaldy and Portobello. Stagecoach and Bland Group will each inject £7million into the project.

We also expect to submit detailed planning applications to both Fife Council and City of Edinburgh Council before the end of the year as part of our plans.

Two consultation meetings will be held later this month with communities on both sides of the Forth in advance of the submission of the planning applications. The details of the meetings are:

- **[Philp Hall, Kirkcaldy, on 15 December 2009 at 7.30pm]**
- **[Town Hall, Portobello, on 16 December 2009 at 7.30pm]**

The meetings will include a presentation on recent developments and the details of our plans. Stagecoach representatives will also be available to answer your questions.

As you know, Stagecoach carried out a highly successful trial service in the summer of 2007. More than 32,000 passengers used the Forthfast service, including both commuters and leisure travellers. Retailers on both sides of the Forth also reported increased footfall and sales during the trial, which was part-funded by the South East of Scotland Transport Partnership (SEStran).

Stagecoach is now seeking to operate a permanent service using two purpose-built state-of-the-art hovercraft on the route, with crossings every 25 minutes at peak times and an hourly off-peak service. The 150-passenger craft, which would be fully accessible for passengers with disabilities, would also be equipped with the latest propeller technology to ensure low operational noise levels. Stagecoach has already carried out detailed environmental impact assessments for the project, including bird studies on behalf of Scottish Natural Heritage and a noise impact study on both sides of the Forth.

The planning applications will set out plans to use Stagecoach's former bus depot at Invertel in Kirkcaldy and land adjacent to the Lothian Buses depot at Seafiel Road in Portobello for departures and arrivals. Planning documents will also include details of landing ramps, passenger terminals, maintenance facilities and car parking for a permanent service.


The hovercraft would offer a fast journey time of less than 20 minutes. It would also be integrated with bus services on both sides of the Forth, including shuttle bus links from Portobello to Ocean Terminal in Leith and Waverley Bridge in the heart of Edinburgh. We estimate around 870,000 passengers a year would use a permanent hovercraft link after it is fully established.

We believe it is important to maintain the momentum behind the project and we are delighted to have a joint venture partner and significant private sector funding now in place. Securing planning permission is also a critical element of the project. We will be looking to progress this while continuing our discussions with the local authorities and the South East of Scotland Transport Partnership (SEStran) on public sector support, which is also key to the future of the project.

Stagecoach remains 100% committed to the hovercraft link. We have had huge support for the project on both sides of the Forth and we look forward to outlining our plans to the local communities.

Thank you for taking the time to read this letter. If you have any further questions in advance of the community meetings, please do not hesitate to contact me on 01592 645660. Thank you for your continuing support as we look to make this innovative public transport service a reality for local people.

Yours sincerely



Steve Walker
Operations Director
Stagecoach East Scotland