AECOM

Economics
Transportation

The Highland Council

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Corran Ferry Socio-Economic Study

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Introduction

Capabilities on project:
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1 Introduction

1.1 Introduction

This is the report of a socio-economy study of fares on the Corran Ferry service. It was undertaken on behalf of Highland Council between late November 2013 and January 2014.

1.1.1 *Research Objectives*

The objectives of the study were to:

- Produce a socio-economic profile of the main area served by Corran Ferry.
- Assess the role of current fare levels.
- Assess the socio-economic impacts of further fare increases.

The "main area" referred to above was taken as the peninsula to the west of Corran Ferry, apart from the most northerly parts of it-i.e. towards the A830. Throughout this report this *main area* is termed the "study area".

The report also includes some specific references to use of the Corran Ferry by those travelling to/from Mull. This reflects previous research which identified the island as a trip end for users of the service.

1.2 Methods

1

- A review of ferry carryings data and previous on-board user surveys. This information is taken from the report "Corran Ferry User Surveys". That was produced by AECOM for Highland Council in July 2013.

2

- Analysis of data on the study area's population and employment.

3

- Telephone consultations with three elected members. Two of these represent the Highland Council ward in which the study area lies. The third was an Argyll and Bute councillor whose ward includes Mull. They were identified to us by Council staff.

4

- An online survey of users of the ferry service. This ran between December 16 2013 and January 13 2014. As part of this exercise those who wished to complete the questionnaire in printed format were given the option to do so.
- The survey was promoted in a number of ways. There were media releases, Highland Council's website and Council staff handing out flyers at the ferry itself.

- The survey generated 593 responses. Based on respondents who provided postcode details their geographical breakdown was:
  - Study area residents: 46% of respondents.
  - "Visitors", who for the purposes of the analysis were defined as those living in Scotland outside the Highlands & Islands, and outside Scotland: 39%.
  - Mull residents: 5%.
  - "Other," comprising those living in Lochaber outside the study area and those living elsewhere in the Highlands & Islands (Inverness, Oban, etc.): 9%.

5

- A telephone survey of 18 businesses.

1.3 Structure of the Report

- **Chapter 2** Places the study in context by reviewing various aspects of the ferry service.
- **Chapter 3** Provides a demographic and economic profile of the study area.
- **Chapter 4** Presents the main findings for all respondents to the online survey.
- **Chapter 5** Contains the results of the online survey for study area residents.
- **Chapter 6** Presents the results of visitors' responses to the online survey.
- **Chapter 7** Reviews the main findings from the telephone survey of businesses.
- **Chapter 8** Contains an overview of findings and our overall conclusions.

Corran Ferry Service

2 Corran Ferry Service

2.1 The Ferry Service

Corran Ferry is a vehicle carrying service that operates all year round. The crossing is very short, taking less than five minutes.

The service operates quite frequently for most of the day. Monday-Saturday the first sailing is at 0630 and operates around every 20 minutes from each side until 0915. Thereafter, the service has a sailing from each side every 30 minutes until 2045. After that there is one final sailing from each side, the last departing at 2130. Thus, the service operates for 15 hours per day.

On Sundays the service starts later (at 0830) than on the other days of the week. It operates at a 30 minute frequency from both sides until the final sailing at 2130. Thus, the Sunday service operates for 13 hours per day.

The advantage of the ferry service is its saving in road miles and time compared to travelling entirely by road. **Table 2.1** shows the one way distances between some of the study area's main settlements and Fort William. This for both available routes: via Corran Ferry, and the road based alternative using the A861/A830. Illustrative costs of one-way journeys to Fort William from the main settlements in the study area have also been prepared.[1]

Table 2.1: One Way Distances to Fort William (miles)

From	Via Corran Ferry	Via Road-A861/A830	Road Cost (Petrol at 146.0p/l)	Road Cost (Diesel at 154.0p/l)
Ardgour	9	33	£6.26	£3.55
Strontian	24	57	£10.81	£6.14
Acharacle	36	45	£8.53	£4.85
Lochaline	39	76	£14.41	£8.19
Kilchoan	53	68	£12.89	£7.32

In most cases the ferry saves at least 15 road miles. The largest saving in road distance is 37 miles (Lochaline), with a similar amount (33 miles) for Strontian. From Acharacle the savings are more marginal, where travelling via the ferry saves less than 10 miles.

Even allowing for the savings offered by Corran Ferry the road distances remain considerable. A return trip between Kilchoan and Fort William is more than 100 miles and those from Acharacle and Lochaline are over 70 miles. This compares with other remote parts of Lochaber. For example, a round trip between Mallaig and Fort William is more than 80 miles.

Table 2.2, over, shows the benefits of using Corran Ferry are even greater for destinations south of Nether Lochaber. In each case the ferry provides a one way saving of at least 25 miles compared to the A861/A830 alternative. Illustrative costs of one-way journeys to Nether Lochaber from the main settlements in the study area have also been prepared.[2]

[1] The illustrative costs are based on the highest petrol price in Strontian at the time of writing (146.0p/l) and the highest diesel price (154.0p/l), provided by www.petrolprices.com. Strontian has been selected as a central location in the study area. These costs have assumed 35mpg for petrol vehicles, and 65mpg for diesel vehicles.

[2] These illustrative costs are also based on the highest petrol and diesel prices in Strontian at the time of writing, and also assume 35mpg for petrol vehicles, and 65mpg for diesel vehicles.

Table 2.2: One Way Distances to Nether Lochaber (miles)				
From	Via Corran Ferry	Via Road-A861/A830	Road Cost (Petrol at 146.0p/l)	Road Cost (Diesel at 154.0p/l)
Ardgour	0.3	42	£7.96	£4.52
Strontian	14	66	£12.52	£7.11
Acharacle	26	54	£10.24	£5.82
Lochaline	30	85	£16.12	£9.15
Kilchoan	44	77	£14.60	£8.29

The greatest saving is 55 miles, for trips from Lochaline. This makes a route via Corran Ferry attractive to some trips to/from Mull which uses either the Fishnish-Lochaline or Tobermory-Kilchoan ferry services to travel to/from the island.

Travelling via Corran Ferry means that the study area settlements are fewer road miles away from Nether Lochaber than some other remote parts of Lochaber (e.g. Morar, Mallaig).

2.2 Fare Structure

Table 2.3 shows the most commonly used car/LGV ticket types and some goods vehicle and bus/coach fares.

Table 2.3: Corran Ferry Fares: Selected Ticket Types			
		Book of 30 Single Tickets	
Traffic Type	Single Ticket (£)	Cost (£)	Single Trip Equivalent (£)
Car/LGV	7.60	66.80	2.23
Smallest Goods Vehicle*	12.00	153.00	10.20
Largest HGV*	42.00	153.00	35.70
Smaller Bus/Coach	£14.70	129.00	12.90
Larger Bus/Coach	£23.60	129.00	21.50

*Note: Includes VAT

The single fare for a car/LGV is £7.60. However, a book of 30 single tickets is also available, valid for one year. It costs £66.80, which means that the cost of each single trip made is £2.23.

This represents a discount of 71% on the price of an ordinary single fare. That is, very much higher than the multi-journey discounts available on other Scottish ferry services. The book of tickets is available to all users of the service, both local residents and those from elsewhere.

Table 2.3 shows that books of tickets are also available for goods vehicles and buses and coaches. The discount from their single fares is much lower than for cars/LGVs. It is 15% for HGVs and less than this for buses/coaches.

There are no specific charges for passengers on the service-whether they are accompanying a vehicle or travelling as a foot passengers. This differs from many other ferry routes where all passengers-and vehicle drivers-are charged specifically. The approach on Corran Ferry reflects the very short crossing time which means that collecting fares from passengers (and cyclists) is seen as impractical.

2.3 Carryings

The data shown below are taken from the "Corran Ferry User Surveys" report referred to at **Chapter 1**.

Table 2.4 shows carryings for the 12 month period from May 2012 to April 2013.

Table 2.4: Corran Ferry Vehicle Carryings: May 2012-April 2013

Traffic Type	Number of Vehicles	Share of Carryings
Car/LGV/Motorcycle	246,500	85.0%
Goods Vehicle	42,050	14.5%
Coach/Bus	1,450	0.5%
Total	**290,000**	**100%**

*Note: Includes VAT

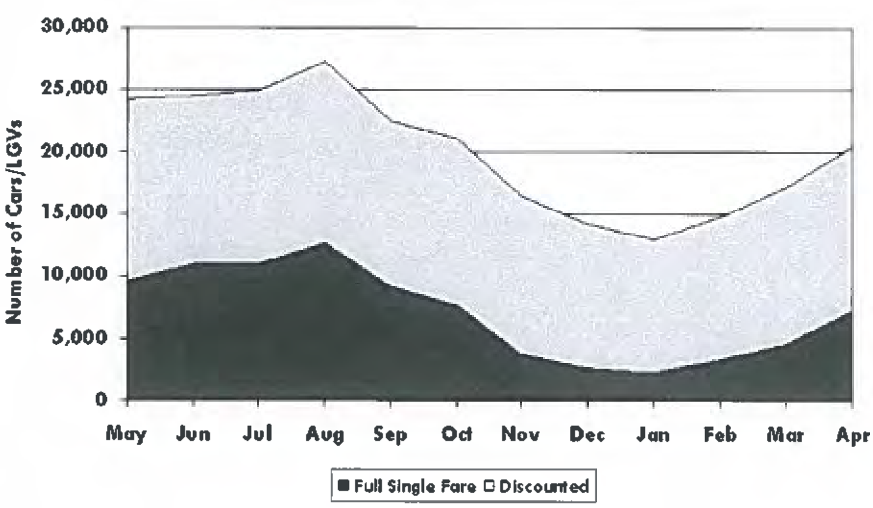
A total of 290,000 vehicles travelled on the service. The vast majority (85%) were in the Car/LGV/Motorcycle category. Almost all of the rest were goods vehicles, although over 1,000 coaches/buses were also conveyed.

Most vehicles travel using a discounted ticket. More than half (64%) of private traffic do so-very largely using the book of 30 tickets for car/LGV-while the remaining 36% pay the full single fare.

The proportion of commercial vehicles travelling on a discounted ticket is even higher (85%). The other 15% pay the full single fare.

Figure 2.1 shows that the demand from cars/LGVs is seasonal-and particularly so from those using single tickets.

Figure 2.1: Car/LGV Carryings: May 2012-April 2013



Volumes in the peak month (27,000 in August) are more than twice those in the trough month of January. The seasonal variation in demand from those travelling on single tickets is even more pronounced. In that case, the August peak carryings are more than five times those seen in January.

This seasonality indicates the importance of tourism, both to traffic levels on Corran Ferry and the local economy.

2.4 Summary

The Corran Ferry service offers significant savings in road miles compared to the road based alternative. This is particularly for trips to/from south of Nether Lochaber. However, most of the study area is still remote and distant from main service centres. Some other parts of Lochaber are also remote but have a second tier service centre (e.g. Mallaig).

The book of 30 single tickets for Car/LGV offers a very high discount on the single fare. It gives a single fare of £2.23 which is low in absolute terms. However, purchasing the book requires the 30 tickets to be bought up front at a cost of over £60.

There are large traffic volumes on the service. They are largely cars, LGVs and motorcycles, although more than 40,000 commercial vehicles are carried as well. Use of the service is largely with discounted tickets rather than full single fares.

The seasonality of carryings indicates the importance of visitor traffic-to both the ferry service and the study area's economy.

Study Area Population and Economy

3 Study Area Population and Economy

3.1 Introduction

This Chapter provides an overview of the study area. Its purpose is to provide an understanding of the wider context in which the ferry service operates.

Unless otherwise stated the data shown are from the 2011 Census. Please note that where a Table's column data do not sum exactly to 100% this is due to rounding.

3.2 Population

Although covering a physically large area the resident population (1,751) is small. However, the area also has a considerable number of second homes. Based on data provided by Highland Council an estimated 18% of its non-empty properties are second homes.

Table 3.1 shows the age structure of the resident population.

Table 3.1: Population Age Structure

Age Band/Area	Study Area	Highland	Scotland
0-15	18%	18%	17%
16-24	7%	9%	12%
25-29	3%	6%	7%
30-44	16%	19%	20%
45-59	25%	23%	21%
60-64	9%	7%	6%
65+	23%	18%	17%

The area has a relatively aged population. Around one third (32%) are 60 years of age or over. This compares to 25% in the Highland Council area and a slightly lower level (23%) in Scotland. In particular, the area has a larger share of those 65 years and above.

Hence, the area has a lower share of younger adults, who are more likely to be economically active and have children. Some 26% of the area's population is aged between 16 and 44 years. This is much lower than Highland (34%) and more so Scotland (39%).

3.3 Economic Activity

Some 68% of the area's 16-74 year olds are economically active. That means they are either: employed, self-employed, unemployed and seeking work, or a full-time student who is also working/seeking work. The area's rate is similar to those for Highland (69%) and Scotland (71%).

However, **Table 3.2** shows that the composition of the economically active is different.

Table 3.2: Economically Active Aged 16-74			
Category	Area	Highland	Scotland
Employed Full-Time	42%	55%	57%
Employed Part-Time	21%	22%	19%
Self-employed	32%	15%	11%
Unemployed	3%	6%	7%
Full-Time Student	2%	3%	5%
Total	**100%**	**100%**	**100%**

The share of individuals who are self-employed is very high. At 32% it is over twice the rate for Highland and almost three times that in Scotland.

For those who are employed, part-time work (i.e. up to and including 30 hours per week) is significant. One in three employees works part-time. This is a higher proportion than in both Highland (29%) and Scotland (25%).

Also the area's part time workers work fewer hours than those in Highland and Scotland. Around one third (32%) work up to 15 hours per week. This compares to 25% for each of the other two geographies.

The relevance here is that self-employment in rural areas, and part-time work in general, tends to be associated with relatively low income/wages.

3.4 Industry of Employment / Self-Employment

Table 3.3 shows the broad categories of industry in which residents work.

Table 3.3: Industry of Employment/Self-Employment			
Industry	Study Area	Highland	Scotland
Primary	14%	5%	3%
Manufacturing, Power and Water	4%	8%	10%
Construction	9%	10%	8%
Accommodation and food service	12%	9%	6%
Other Services	61%	67%	73%

The area has higher shares of work in sectors that are relatively low paid. In particular its share of residents in primary activities (Agriculture, forestry and fishing/aquaculture) is much greater than in Highland or Scotland. In contrast, there is a lower level in Manufacturing, Power and Water activities which tend to be higher waged than primary activities.

The area has a low proportion of residents in Other Services employment. Within this there are relatively few employed in activities that tend to be relatively high paying (e.g. Information and communication; Professional, scientific and technical activities).

Table 3.3 separates out accommodation and food service work from the service sector as a whole. This is because it provides a proxy for the significance of tourism-related employment. The data show that 12% of the area's working residents are employed in accommodation and food service work-higher than both Highland (9%) and Scotland (6%).

This indicates the importance of tourism to the study area. However, it should also be recognised that other activities (notably retail) will also derive a proportion of their sales from tourists. Thus, the significance of tourism extends beyond the proxy measure used here.

3.5 Fragile Area Designation

The study area is within an HIE Fragile Area. This designation is for areas that characterised by factors including declining population, scarcity of economic opportunities, proportionately fewer young people, geographical and transport challenges, and below average income levels.

HIE gives such areas the greatest priority, increasing intervention rates and supporting a broader range of projects than it would consider in other, more prosperous parts of the region.

Over 56,000 residents (around 13% of the Highlands & Islands population) live within the fragile areas. Other parts of Highland that currently have this designation include:

- In Lochaber-Small Isles, Knoydart and the communities to the north of the study area along the A830 route.
- North Skye, Raasay.
- Coastal areas and hinterlands from Kyle of Lochalsh up to north west Sutherland-with the whole of Sutherland a designated Fragile Area.

3.6 Conclusions

The area has a small and sparsely distributed population. This makes it particularly reliant on service centres elsewhere-notably Fort William.

The profile of the area points to a number of challenges. These include:

- A relatively aged population, and a relatively low level of younger adults.
- Greater levels of self-employment and part-time employment. These will reduce the income generated by working, as does a lack of employment in more highly paid activities.
- A degree of reliance on the tourism sector.

These issues both reflect and compound the remoteness of the area, even with the journey time savings offered by Corran Ferry.

The HIE Fragile area designation indicates that while the study area faces challenges these are ones that also face some other parts of Highland-including the relatively high costs of some local purchases such as fuel and shopping.

Ferry User Survey: All Respondents

4 Ferry User Survey: All Respondents

4.1 Introduction

This Chapter presents the main findings for all respondents to the online survey. It is recognised that in responding to the survey, ferry users have a vested interest. Thus, there will be a degree of response bias when answering questions on the level and potential impacts of fares. Therefore, the findings are used to inform the study as a whole, rather than being taken fully at face value.

Please note that where a Table's column data do not sum exactly to 100% this is due to rounding.

4.2 Profile of Respondents

Information on respondents' place of residence is shown at **Chapter 1**.

Table 4.1 shows their age profile.

Table 4.1: Age Profile	
Age Band	Percentage of Respondents
16-24	3%
25-34	9%
35-44	19%
45-54	31%
55-64	23%
65+	16%
Total	100%

The greatest number of respondents came in the 45-54 and 55-64 age groups. Together, they accounted for more than half of all respondents. Some 16% were aged 65 years or more. There was a relatively low response from younger people. Some 12% of respondents were aged 34 years or less.

Around three quarters (73%) were working-very largely on a full-time basis. Almost all of the rest (20% of all respondents) were retired.

Table 4.2, over, shows respondents' annual household income. For the purposes of the survey-and ease of completion-this was defined as: that before tax and other deductions made by national and local government, to include income from employment, investments and pensions.

Approaching half (47%) have an annual household income was £30,000 or less. Most of the rest (33%) fell between £30,000 and £50,000. At the higher end, one in seven reported a figure of more than £60,000.

Table 4.2: Annual Household Income	
Band	**Percentage of Respondents**
Under £10,000	6%
£10,000-£20,000	18%
£20,001-£30,000	23%
£30,001-£40,000	17%
£40,001-£50,000	16%
£50,001-£60,000	6%
£60,001-£70,000	5%
Over £70,000	9%
Total	100%

4.3 Current Use of Corran Ferry

4.3.1 Frequency of Travel

Table 4.3 shows how often respondents travel on the Corran Ferry.

Table 4.3: Frequency of Use of Corran Ferry	
Frequency	**Percentage of Respondents**
5 or more return trips per week	5%
3 or 4 return trips per week	7%
2 return trips per week	10%
1 return trip per week	9%
2 or 3 return trips per month	16%
One return trip per month	8%
5 or 6 return trips per year	15%
3 or 4 return trips per year	10%
1 or 2 return trips per year	18%
Total	**100%**

There is a wide variation in trip frequency. This reflects the sample including both local residents and visitors.

Around one in three (31%) use the service at least weekly, with 12% of all respondents travelling three or more times per week. At the other end of the spectrum, a significant proportion (43%) use the service less than once per month-and in most cases no more than four return trips a year.

4.3.2 *Mode of Transport*

Almost all (96%) respondents usually travel on the ferry accompanying a vehicle driven by them or another household member. A further 2% travel as foot passengers, although not as part of the scheduled bus service.

4.3.3 *Trip Purposes*

Table 4.4 reports the purposes of the trips that respondents make on the Corran Ferry. It covers both *all* the trips they make on the ferry, and the trip that they make *most often*.

Table 4.4: Purpose of Trips on Corran Ferry

Purpose	Percentage of Respondents	
	All Trips	Trip Made Most Often
Leisure or social	56%	20%
Holiday or tourism	50%	30%
Shopping	49%	24%
Health/medical appointment	31%	2%
Access to other services	28%	2%
Journey as part of your work-excluding commuting	25%	10%
Pick up/drop off/escort someone	15%	2%
Commute to your usual place of work	10%	8%
Education	5%	1%
Total	-	100%

A wide variety of trips are made. The most common ones are Leisure or social and Holiday or tourism, which will be undertaken by both visitors and residents. A similar number use the service for shopping trips.

The ferry is also used for health/medical purposes and to access other types of services; and, by fewer respondents, for travel to or within work.

Holiday or tourism (30%) and Leisure or social (20%) are also significant proportions of the trip type that is made *most often*. However, Shopping (24%) trips are more likely to be undertaken than Leisure or social.

The sample undertake work-related trips more often than those to access services-including health and medical. However, this does not mean that the latter are unimportant. Simply that they are relatively infrequent.

4.3.4 *Ticket Types and Fare Levels*

Slightly more than half (54%) of respondents use the *book of 30 tickets for car/light goods vehicle (valid for 1 year)* when using Corran Ferry. Almost all the others (42%) use the *single ticket for car/light goods vehicle.*

Respondents were then asked to describe the fares they currently pay on the Corran Ferry. This used pre-defined categories included in the questionnaire.

The responses were:

- Fair: 42%.
- Quite expensive: 37%.
- Very expensive: 18%.
- Quite cheap: 2%.
- Very cheap: 1%.

Clearly, very few perceive the fares that they pay to be in any way cheap. Most view them as Fair, with a slightly lower number perceiving them as Quite expensive. Slightly fewer than one in five see them as Very expensive.

4.4 Reaction to 10% Fare Increase

4.4.1 *Impact on Use of Corran Ferry*

Respondents were then asked to consider the effect on their use of the service if they would have to pay **10%** more than their current fare. That would represent for:

- *Book of 30 tickets for car/light goods vehicle (valid for 1 year)*: an increase from £66.80 to £73.50 per book-i.e. from £2.23 to £2.45 per single trip.
- *Single ticket for car/light goods vehicle*-an increase from £7.60 to £8.36.

Most (45%) said they would make fewer trips on the ferry as a result. Fewer (35%) said that their number of trips would remain unchanged. The remaining 20% indicated "Don't Know".

The vast majority (90%) of those who would make the same number of trips on the ferry would continue to accompany their vehicle, rather than switching to the bus service or travelling as a foot passenger.

The position was very similar for those who would make *fewer* trips. In so doing they would still very largely travel accompanying their vehicle when travelling on the ferry, rather than changing to travel as a foot passenger.

Those would make fewer trips on the ferry were asked if they would replace some of these trips with travel to/from their destination on the A861/A830 instead. More than half (62%) said they would do so. A further 26% said they would not switch any existing trips to the road. The final 12% indicated "Don't Know".

4.4.2 Personal Impact

Respondents were then asked to define the scale of personal impact upon them of the 10% fares increase. This used pre-defined categories included in the questionnaire. The results are shown at **Table 4.5**, over.

Table 4.5: Personal Impact of 10% Increase in Fares You Pay on Corran Ferry	
Impact	**Percentage of Respondents**
None	12%
Slight impact	38%
Significant impact	32%
Very significant impact	18%
Total	100%

The vast majority (88%) expected some impact. The most commonly reported impact was a slight one (38% of respondents). Half of the sample referred to either a significant or very significant impact, although in most cases it was the former.

4.5 Reaction to 25% Fare Increase

4.5.1 Impact on Use of Corran Ferry

The same issues were covered in relation to a **25%** increase in the fare level that the respondent currently pays. Based on current fares that would represent for:

- *Book of 30 tickets for car/light goods vehicle (valid for 1 year)*: an increase from £66.60 to £83.25 to per book-i.e. £2.23 to £2.79 per single trip.
- *Single ticket for car/light goods vehicle*-an increase from £7.60 to £9.50.

Around three quarters (76%) said they would make fewer trips on the ferry as a result. Many fewer (13%) said that their number of trips would remain unchanged. The remainder indicated "Don't Know".

The vast majority (86%) of those who would still make the same number of trips would continue to make their trips accompanying their vehicle, rather than switching to the bus service or travelling as a foot passenger on the ferry.

The position was very similar for those who would make *fewer* trips on the ferry as a result of the 25% fare increase. In making fewer trips on the ferry they would still very largely travel accompanying their vehicle when using it, rather than as a foot passenger.

Those would make fewer trips on the ferry were asked if they would replace some of the trips they currently make on Corran Ferry by travelling to/from their destination on the A861/A830 instead. More than half (60%) said they would do so. A further 29% said they would not switch any existing trips to the road. The final 11% indicated "Don't Know".

4.5.2 *Personal Impact*

Finally, respondents were asked to define the scale of personal impact upon them of a 10% increase in the ferry fares they pay. The results are shown at **Table 4.6**.

Table 4.6: Personal Impact of 25% Increase in Fares You Pay on Corran Ferry

Impact	Percentage of Respondents
None	6%
Slight impact	19%
Significant impact	32%
Very significant impact	43%
Total	100%

Almost all (94%) expected at least some impact. The most common response (43%) was a Very significant impact. In all, 75% stated the impact would be either Very significant or Significant. Around one in five said that the impact would be slight.

4.6 Summary

The results presented in this Chapter show:

- A wide variation in frequency of use, trip purposes and ticket type used. This reflects the inclusion of both local residents and visitors in the survey sample.
- Few (18%) perceive current fares to be very expensive, but many less (3%) view them as being in some way cheap.
- Very few expect to change the way they use the service ferry if fares are increased. They will largely continue to accompany their own vehicle.
- The proportion stating that they would make fewer trips on Corran Ferry under a 25% fare increase is more than 1½ times that for a 10% increase.
- There is clearly expressed interest in diverting some existing ferry trips to the A861/A830 under both levels of fare increase.
- Stated personal impacts under a 25% fare increase are clearly more negative than for a smaller increase. The proportion of respondents citing either a significant or very significant impact increases from 50% to 75%.

Ferry User Survey: Study Area Residents

5 Ferry User Survey: Study Area Residents

5.1 Introduction

This Chapter presents the survey findings for residents of the study area. They were identified through the postcodes supplied by the vast majority (81%) of all survey respondents.

It is recognised that in responding to the survey, ferry users have a vested interest. Thus, there will be a degree of response bias when answering questions on the level and potential impacts of fares. Therefore, the findings are used to inform the study as a whole, rather than being taken fully at face value.

Please note that where a Table's column data do not sum exactly to 100% this is due to rounding.

5.2 Respondent Profile

There was a wide geographical spread of respondents within the study area: as follows:

- Ardnamurchan-not specified (i.e. postcode PH36 4)::27%.
- Morvern: 19%.
- Ardgour: 17%.
- Strontian: 15%.
- Kilchoan: 10%.
- Acharacle: 8%.
- Glenborrodale: 3%.

Table 5.1 shows the age profile of the respondents.

Table 5.1: Residents: Age Profile

Age Band	Percentage of Respondents
16-24	4%
25-34	12%
35-44	16%
45-54	31%
55-64	22%
65+	16%
Total	100%

There is a concentration in the 45-54 and 55-64 age groups. Together they account for more than half (53%) of the sample. A further 16% are in each of the 35-44 age group and those who are 65 and over.

There is a relatively small number of younger respondents-and those aged 16-24 in particular.

Thus, the sample is not wholly representative of the resident population of the area (shown at **Chapter 3**). In particular the youngest and oldest adults appear under-represented. However, this might be because those groups make fewer trips on Corran Ferry than other ones. Therefore, the sample may, in fact, be reasonably representative of resident ferry users-which reflects the topic of this research.

In addition, 30% of respondents have at least one child (i.e. under 16) in their household.

Table 5.2 shows respondents' employment status.

Table 5.2: Residents: Employment Status

Age Band	Percentage of Respondents
Employed/self-employed-full-time-working more than 30 hours per week	54%
Employed/self-employed-part-time-working up to 30 hours per week	21%
Retired	16%
In education/training	3%
Other	3%
Looking after home/family	2%
Unable to work due to disability/illness	1%
Unemployed and seeking work	<1%
Total	100%

Three quarters (75%) are in work, largely working full-time hours. Most of the rest (16% of all respondents) are retired.

Table 5.3 shows respondents' annual household income. For the purposes of the survey-and ease of completion-this was defined as: that before tax and other deductions made by national and local government, to include income from employment, investments and pensions.

Table 5.3: Residents: Annual Household Income

Band	**Percentage of Respondents**
Under £10,000	9%
£10,000-£20,000	21%
£20,001-£30,000	25%
£30,001-£40,000	17%
£40,001-£50,000	11%
£50,001-£60,000	7%
£60,001-£70,000	5%
Over £70,000	7%
Total	100%

Over half (55%) have an annual income of up to £30,000 per annum. Some 9% of all respondents' income is under £10,000.

Most of the rest (28%) have an income of between £30,000 and £50,000.

5.3 Current Use of Corran Ferry

5.3.1 *Frequency of Travel*

Table 5.4 shows how often the residents travel on the Corran Ferry.

Table 5.4: Residents: Frequency of Use of Corran Ferry

Frequency	Percentage of Respondents
5 or more return trips per week	10%
3 or 4 return trips per week	15%
2 return trips per week	23%
1 return trip per week	15%
2 or 3 return trips per month	24%
One return trip per month	6%
5 or 6 return trips per year	4%
3 or 4 return trips per year	<1%
1 or 2 return trips per year	2%
Total	**100%**

There are a considerable number of what might be considered frequent users. Almost half (48%) use the service more than weekly, with over 60% using it at least once a week. A significant proportion (25%) make three or more return trips per week.

Most of the others (24% of all respondents) use the ferry more than once per month. Only a low proportion (c6%) are very infrequent users i.e. less than monthly.

5.3.2 *Mode of Transport*

The vast majority (96%) usually travel on the Corran Ferry accompanying a vehicle driven by them or another household member.

5.3.3 *Trip Purposes*

Table 5.5, over, reports the purposes of the trips that respondents make on the Corran Ferry. It covers *all* the trips they make on the ferry, and that made *most often*.

The vast majority (85%) use the service for shopping. Two thirds use it for leisure/social trips, and at least half for health/medical purposes and also for accessing other services.

Around 40% use it during their work, while one in six commute to their usual place of work.

Table 5.5: Residents: Purpose of Trips on Corran Ferry		
	Percentage of Respondents	
Purpose	All Trips	Trip Made Most Often
Shopping	85%	47%
Leisure or social	67%	9%
Health/medical appointment	63%	4%
Access to other services	50%	3%
Journey as part of your work-excluding commuting	39%	12%
Holiday or tourism	32%	4%
Pick up/drop off/escort someone	28%	3%
Commute to your usual place of work	17%	15%
Education	10%	2%
Total	-	100%

Shopping is also the most common trip that respondents make *most often*. This is the case for approaching half (47%) of the sample. The second most popular response was commuting (15%) and then travel in work time (12%).

Many use the ferry for leisure/social purposes and to access services (including health/medical). However, for only a few (less than 10% in each case) are they the type of trip that is made most often.

5.3.4 *Ticket Types and Fares*

Reflecting their frequency of travel, the vast majority (89%) of residents use the book *of 30 tickets for car/ light goods vehicle (valid for 1 year)*. Only 7% use a *single ticket for car/light goods vehicle.*

They were asked to estimate how much in total they had spent on ferry tickets in the last 12 months. The responses are set out at **Table 5.6**, over.

There is a reasonably close fit between these results and the frequency of use shown at **Table 5.4**. That is, the financial amounts quoted do not appear to significantly under or overstate those implied by respondents' frequency of travel.

Most (45%) spent between £100 and £249 on Corran ferry fares in the last twelve months. That equates to an average of £2-£5 per week throughout the year. However, it is recognised that many use the book of 30 tickets which requires their full cost to be met up front.

A further 21% spent between £250 and £499.

In total around in six (17%) reported spend of £500 or more. (Some 6% reported at least £1,000). A similar proportion (c16%) spent under £100 per year.

Table 5.6: Residents: Estimated Total Spend on Ferry Tickets for the Corran Ferry In The Last 12 Months

Spend	Percentage of Respondents
£0	1%
£1-£25	<1%
£26-£49	2%
£50-£99	13%
£100-£249	45%
£250-£499	21%
£500-£749	9%
£750-£999	2%
£1,000+	6%
Total	**100%**

Respondents were then asked to describe the fares they currently pay. This used pre-defined categories included in the questionnaire. The responses were:

- Fair: 37%.
- Quite expensive: 37%.
- Very expensive: 24%.
- Quite cheap: 1%.
- Very cheap: 1%.

Clearly, very few perceive the fares to be in any way cheap. Most (37%) view them as either Fair, or Quite expensive. Around one in four (24%) see them as Very expensive.

Respondents were then asked the reasons for the category they picked. We grouped these open ended responses by theme. The most common ones are shown below.

Fair:

- Due to a discounted book of tickets being available.
- Compared to the cost of using the road alternative.
- Compared to paying a single fare.

Quite Expensive:

- The service is a lifeline one/used for essential trips.
- The crossing distance is very short.
- Has become expensive due to level of fare increases in recent years.
- Equity-notably that other very short crossings in Scotland-by bridge-are free.

Very Expensive:

- Equity.
- The crossing distance is very short.
- Has become expensive due to level of fare increases in recent years.
- The service is a lifeline one/used for essential trips.

5.4 Reaction to 10% Fare Increase

5.4.1 Impact on Use of Corran Ferry

Respondents were then asked to consider the effect on their use of the service if they would have to pay **10%** more than their current fare. That would represent for:

- *Book of 30 tickets for car/light goods vehicle (valid for 1 year)*: an increase from £66.80 to £73.50 per book-i.e. from £2.23 to £2.45 per single trip.
- *Single ticket for car/light goods vehicle*-an increase from £7.60 to £8.36.

More than half (55%) said they would make fewer trips on the ferry. Fewer (27%) said that their number of trips would remain unchanged. The remaining 18% indicated "Don't Know".

The vast majority (86%) of those who would still make the *same number of trips on the ferry* would continue to make their trips accompanying their vehicle, rather than switching to the bus service or travelling as a foot passenger.

The position was very similar for those who would make *fewer trips on the ferry*. When using the service they would still very largely travel accompanying their vehicle, rather than as a foot passenger.

Those would make fewer trips on the ferry were asked if they would replace some existing ones by using the A861/A830 instead. Around two thirds (65%) said they would do so. A further 23% said they would not switch any existing ferry trips to the road. The final 12% indicated "Don't Know".

Of those who would make more use of the road alternative, the numbers quoted ranged from one return trip per year to more than 200. However, most responses fell between 11 and 25 return trips, followed by between 26 and 50 trips.

5.4.2 *Personal Impact*

Respondents were asked to define the scale of personal impact upon them of a 10% increase in the fares. This used pre-defined categories included in the questionnaire. The results are shown at **Table 5.7,** over.

Table 5.7: Residents: Personal Impact of 10% Increase in Fares You Pay on Corran Ferry

Impact	Percentage of Respondents
None	4%
Slight impact	27%
Significant impact	41%
Very significant impact	27%
Total	100%

Almost all (96%) expected some impact. The most commonly reported impact was a significant one (41% of respondents). The same number (27%) referred to either a slight or significant impact. Thus, most referred to either a significant or very significant impact.

Respondents provided further information about these impacts on an open-ended basis. We grouped these together by theme. The most common ones were:

- Less money to spend on other things.
- Extra time, and vehicle wear and tear, from more road trips.
- Fewer social and shopping trips.
- Could affect performance of respondent's own business (self-employed).

Other, less frequently mentioned impacts were:

- An increase in the cost of goods delivered into the area.
- Fewer sports/activity-related trips.
- Reconsider current working arrangements-e.g. ability to commute, need to find a second job.

5.5 Reaction to 25% Fare Increase

5.5.1 Impact on Use of Corran Ferry

The same issues were covered in relation to a **25%** increase in the fare level paid. Based on current fares that would represent for:

- *Book of 30 tickets for car/light goods vehicle (valid for 1 year)*: an increase from £66.60 to £83.25 to per book-i.e. £2.23 to £2.79 per single trip.
- *Single ticket for car/light goods vehicle*-an increase from £7.60 to £9.50.

More than three quarters (81%) said they would make fewer trips on the ferry as a result. Many fewer (9%) said that their number of trips would remain unchanged. A slightly larger level (10%) indicated "Don't Know".

The vast majority (79%) of those who would still make *the same number of trips* on the ferry would continue to make their trips accompanying their vehicle.

The position was very similar for those who would make *fewer trips* on the ferry. When using the service they would still very largely travel accompanying their vehicle, rather than as a foot passenger.

Those would make fewer trips on the ferry were asked if they would replace some of their existing ferry trips by travelling on the A861/A830 instead. Almost two thirds (65%) said they would. A further 24% said they would not switch any existing ferry trips to the road. The remaining 11% indicated "Don't Know".

Again, the number of additional trips that respondents would make varied very widely. However, most responses fell between either 26 and 50 additional return road trips year, or between 11 and 25 trips.

5.5.2 Personal Impact

Finally, respondents were asked to define the scale of personal impact upon them of a 25% fares increase. The results are shown at **Table 5.8.**

Table 5.8: Residents: Personal Impact of 25% Increase in Fares You Pay on Corran Ferry

Impact	Percentage of Respondents
None	2%
Slight impact	7%
Significant impact	31%
Very significant impact	60%
Total	100%

Very nearly all (98%) expected at least some impact. More than half (60%) referred to a significant personal impact. A large proportion of the remainder (31% of all respondents) stated that the impact would be significant.

Again, respondents provided further information on an open-ended basis. We grouped these together by theme. The most common ones were:

- Extra time, plus vehicle wear and tear, from undertaking more road trips.
- Fewer shopping trips.
- Less money to spend on other things.

- Would consider moving out of the area.

Other, less frequently mentioned impacts were:

- An increase in the cost of goods delivered into the area.
- Fewer social trips-including visiting friends and relatives.
- Reconsider current working arrangements-e.g. work locally rather than commuting.

5.6 Specific User Groups

5.6.1 Study Area Residents

Understanding how fare changes might affect different groups was of interest to the study. We analysed the responses for the following groups-with the absolute number of respondents shown in brackets:

- Lower household income-i.e. up to £30,000 (106 respondents).
- Most frequent users-more than 1 return trip per week (105).
- Elderly-those aged 65 years or above (35).
- Households with children (65).
- Those who commute to work via the ferry (38).

It can be seen that in some cases the absolute numbers of respondents is small. Therefore, their results some of the results should be treated with some caution.

The following highlights significant differences between the responses of each group and those from residents as a whole. Compared to residents as a whole:

Commuters

- Among the more frequent users of the ferry service.
- Less likely to see current charges as Fair, and more likely to view them as Very expensive.
- For fare increases:
    - Less likely to make fewer trips on the ferry but more likely to say "Don't Know"
    - less likely to consider diverting to the road alternative
    - More likely to state that the impacts would be very significant.

Those with children

- Among the more frequent users of the ferry service.
- More likely to use the ferry service for Education and for Leisure or Social purposes.

Elderly

- Less frequent users of the service.
- More likely that Shopping is the trip type that they make most often.
- More likely to make fewer trips on the ferry under a 10% fare increase.
- OAPs more likely to see significant rather than very significant impacts under a 25% fare increase. This may reflect their lower frequency of travel on the service.

Those on lower incomes

- More likely to use the ferry for commuting to work.
- More likely that Shopping is the trip type that they make most often.

Frequent users

- More likely to use the service to commute to work.
- Less likely to consider existing charges to be Fair.
- More likely to state that a 10% fare increase would have a significant impact.

5.6.2 Residents of Mull

The following highlights the main differences between the responses of those who live on Mull and those of study area residents. It is based on a small number (26) of respondents. Therefore, the findings should be treated with some caution.

Mull residents are less frequent users of the service. Most travel on Corran Ferry in a band between 5-6 return trips per year and 2-3 return trips per month.

Their most common trip purposes are Shopping, Leisure or social and then Holiday or tourism. The type of trips made *most often* are Leisure or social, then Shopping and travel in work.

Those from Mull have a more favourable view of Corran Ferry fares. Less than half (42%) view them as quite or very expensive. (This compares to 61% of study area residents). More than 10% view fares as cheap/very cheap. These views may, in part, reflect a comparison to the much higher fares on CalMac's services to Mull.

In reacting to a **10% fare increase** people from Mull were:

- Less likely to reduce the number of trips they make. This may, in part, reflect their more occasional use of the service.
- Much less likely to consider diverting trips to the A861/A830. This could be because a significant proportion are travelling to/from south of Nether Lochaber.
- More likely to report a *slight* impact and less likely to report a *significant* impact. Again, this may reflect the relatively low number of trips they make on Corran Ferry.

In reacting to a **25% fare increase**:

- As likely as the study area residents to make fewer trips on Corran Ferry.
- Again, much less likely to consider diverting trips to the A861/A830.
- Again, more likely to report a *slight* impact and less likely to report a *significant* impact from the fare increase.

5.7 Conclusions

The respondent profile appears to confirm the importance of part-time employment among working residents.

Respondents are quite high frequency users of the service. Almost half using it more than once per week. This is despite, for some, the distance involved in a round trip that includes using the ferry to visit Fort William or places further afield.

This contributes to the very large proportion of residents who use the book of tickets for a car/LGV. Very few use the ferry without accompanying their own vehicle. This is not expected to change significantly if the fares are increased.

The high level of discount offered means that most spend between £100-£500 per annum on ferry fares. This equates to between £2-£10 per week although the trips made will also have include vehicle fuel costs.

Annual costs are higher for the most frequent users, and for daily commuters in particular. These two groups are more likely to have a particularly negative view of current fares. They are also more likely to report a more significant impact from fare increases. However, under the present fare structure there is no means to address these particular concerns, rather than catering for all those who make at least nine single trips per year-for whom purchasing a book of tickets is financially worthwhile.

Discretionary trips are made on the ferry but the there is a significant extent of trips that less or non-optional. Corran Ferry is used to access services, and in particular shopping trips which are made quite frequently. In addition almost 40% use it to make trips within work, with one in six using it to commute.

There are mixed views on the current fare levels. Very few see them as cheap in way. However, more see them as being fair rather than very expensive. In many cases the assessment is based on benchmarks as to what the fare level "should" be rather than the actual financial cost. These include the cost of a single fare on the ferry, the road alternative, the length of crossing and what is charged on other short crossings. The fare levels are also benchmarked against their previous levels.

These factors reflect the perceptions of what to some would appear to be a low car fare of £2.23 when a book of tickets is used. Perceptions will also be affected by the fact that when the book is bought around £66 is spent at once rather than £2.23 spent each time the ferry is used. Thus, a 10% fare increase is viewed as one of £6.70 per book of tickets rather than 22 pence per trip.

In addition to the above:

- The proportion stating that they would make fewer trips on Corran Ferry under a 25% fare increase is around 1½ times that for a 10% increase.
- There is clearly expressed interest in diverting some existing ferry trips to the A861/A830 under both levels of fare increase.
- Stated personal impacts under a 25% fare increase are clearly more negative than for a smaller increase. The proportion of residents citing either a significant or very significant impact increases from 68% to 91%.

The results suggests that if/where less use is made of the ferry this could result in some trips no longer being made, rather than being switched to road travel. These appear most likely to be shopping and social trips. The former appear particularly important to the elderly and those on lower incomes; the latter to households with children.

Stated impacts under a 25% increase include a greater number of references to changes such as no longer commuting and considering leaving the area. For a 10% increase the main concerns appear to be around a reduction in disposable income rather than the more fundamental changes alluded to for a larger fare rise.

Ferry User Survey: Visitors

6 Ferry User Survey: Visitors

6.1 Introduction

This Chapter presents the survey findings for visitors. As noted at **Chapter 1**, for the purposes of the analysis "visitors" were defined as those living in Scotland outside the Highlands & Islands, and outside Scotland. They were identified through the postcodes supplied by the vast majority (81%) of all survey respondents.

It is recognised that in responding to the survey, ferry users have a vested interest. Thus, there will be a degree of response bias when answering questions on the level and potential impacts of fares. Therefore, the findings are used to inform the study as a whole, rather than being taken fully at face value.

Please note that where a Table's column data do not sum exactly to 100% this is due to rounding.

6.2 Profile of Visitor Respondents

Table 6.1 shows the age profile of the visitor respondents.

Table 6.1: Visitors: Age Profile

Age Band	Percentage of Respondents
16-24	0%
25-34	5%
35-44	20%
45-54	34%
55-64	28%
65+	14%
Total	100%

Most fall in either the 45-54 or the 55-64 age groups. Together they account for more than half (62%) of the respondents. Most others (20% of the sample) are between 35 and 44 years.

A further 14% are in the most elderly group. Few responses came from those under 35 years old.

Table 6.2, over, shows visitors' employment status.

More than half (57%) are in full-time work; and 70% in total are working. Almost all the rest (25% of all respondents) are retired.

Table 6.2: Visitors: Employment Status	
Age Band	Percentage of Respondents
Employed/self-employed-full-time-working more than 30 hours per week	57%
Retired	25%
Employed/self-employed-part-time-working up to 30 hours per week	13%
In education/training	2%
Looking after home/family	2%
Unable to work due to disability/illness	1%
Unemployed and seeking work	1%
Total	100%

Table 6.3 shows respondents' annual household income. For the purposes of the survey-and ease of completion-this was defined as: that before tax and other deductions made by national and local government, to include income from employment, investments and pensions.

Table 6.3: Visitors: Annual Household Income	
Band	**Percentage of Respondents**
Under £10,000	4%
£10,000-£20,000	15%
£20,001-£30,000	17%
£30,001-£40,000	17%
£40,001-£50,000	23%
£50,001-£60,000	6%
£60,001-£70,000	6%
Over £70,000	14%
Total	100%

They are broadly evenly split between those with an income of up to £40,000 and those above that level. The most common level is between £40,000 and £50,000.

Very few have an income of less than £10,000. At the other end of the scale, one in seven are in the highest bracket-i.e. over £70,000.

6.3 Visitors' Current Use of Corran Ferry

6.3.1 *Frequency of Travel*

Table 6.4, over, shows how often visitors travel on the Corran Ferry.

Unsurprisingly, they are relatively infrequent users of the service. Some 88% travel less than monthly, with most of these (38% of all respondents) making just one or two return trips per year.

Table 6.4: Visitors: Frequency of Use of Corran Ferry

Frequency	Percentage of Respondents
5 or more return trips per week	0%
3 or 4 return trips per week	0%
2 return trips per week	0%
1 return trip per week	1%
2 or 3 return trips per month	4%
One return trip per month	7%
5 or 6 return trips per year	26%
3 or 4 return trips per year	24%
1 or 2 return trips per year	38%
Total	**100%**

6.3.2 *Mode of Transport*

The vast majority (94%) usually travel on the Corran Ferry accompanying a vehicle driven by them or another household member. A further 3% travel as foot passengers, although not as part of the scheduled bus service.

6.3.3 Trip Purposes

Table 6.5 reports the purposes of the trips that visitors make on the Corran Ferry. It covers *all* the trips they make on the ferry, and the trip that they make *most often.*

Table 6.5: Visitors: Purpose of Trips on Corran Ferry		
Purpose	Percentage of Respondents	
	All Trips	Trip Made Most Often
Holiday or tourism	81%	72%
Leisure or social	37%	23%
Shopping	10%	1%
Journey as part of your work-excluding commuting	5%	3%
Pick up/drop off/escort someone	4%	1%
Access to other services	3%	0%
Commute to your usual place of work	1%	1%
Education	1%	0%
Health/medical appointment	1%	0%
Total	-	100%

As would be expected in both cases a large number of visitors referred to Holiday or tourism, followed by Leisure or social. Some 10% use the service for shopping trips. However, that is very rarely the purpose of the trip that is made more often. There is also a small amount of use for in work journeys.

6.3.4 Ticket Types and Fares

Reflecting the frequency of travel shown earlier, the vast majority (85%) of visitors use a *single ticket for car/light goods vehicle.* One in seven of all visitors (14%) use the book *of 30 tickets for car/ light goods vehicle (valid for 1 year*).

Visitors were asked to estimate how much in total they had spent on Corran Ferry tickets in the last 12 months. The responses are set out at **Table 6.6**.

Table 6.6: Visitors: Estimated Total Spend on Ferry Tickets for the Corran Ferry In The Last 12 Months	
Spend	Percentage of Respondents
£0	2%
£1-£25	31%
£26-£49	23%
£50-£99	31%
£100-£249	12%
£250-£499	1%

Total	**100%**

More than half (56%) spent up to £50 in the previous 12 months-with most of them spending up to £25.

The remainder largely spent between £50 and £99. A further one in eight spent £100 or more.

Visitors were then asked to categorise the fares they currently pay on the Corran Ferry. This was based on pre-defined ones included in the questionnaire. The responses were:

- Fair: 53%.
- Quite expensive: 37%.
- Very expensive: 8%.
- Quite cheap: 2%.
- Very cheap: 1%.

More than half the visitors see the fares that they currently pay as Fair, although over one in three see them as Quite expensive. Only a small number of respondents see the fares as Very expensive. Few consider the fares to be in any way cheap.

Respondents were then asked the reasons for the category they picked. We grouped their open ended responses together by theme. The most common ones are shown below.

Fair:

- Compared to the costs/time of the road alternative.
- Recognise the need to contribute towards ferry costs.
- Only occasional user of the ferry.

Quite Expensive:

- The crossing distance is very short.
- Has become expensive due to scale of fare increases in recent years.
- Expensive-on a per mile basis-compared to other ferry services.

Very Expensive:

- The crossing distance is very short.
- Has become expensive due to scale of fare increases in recent years.

6.4 Visitors' Reaction to 10% Fare Increase

6.4.1 *Impact on Use of Corran Ferry*

Respondents then considered the effect on their use of the service if they would have to pay **10%** more than their current fare. That would represent for:

- *Single ticket for car/light goods vehicle*-an increase from £7.60 to £8.36.
- *Book of 30 tickets for car/light goods vehicle (valid for 1 year)*: an increase from £66.80 to £73.50 per book-i.e. from £2.23 to £2.45 per single trip.

Around one third (32%) said they would make fewer trips on the ferry. More (49%) said that their number of trips would remain unchanged. The rest indicated "Don't Know".

The vast majority (93%) of those who would still make the *same number of trips on the ferry* would continue to make their trips accompanying their vehicle, rather than switching to the bus service or travelling as a foot passenger.

The position was very similar for those who would make *fewer trips on the ferry* as a result of the fare increase. In making fewer trips on the ferry they would still very largely travel accompanying their vehicle.

Those would make fewer trips on the ferry were asked if they would replace some of these trips by travelling on the A861/A830 instead. Just over half (53%) said they would do so. A further 37% said they would not switch any existing trips to the road. The other 10% indicated "Don't Know".

Reflecting their trip frequency those who would switch existing trips to the road alternative would make only a small number of additional road trips. In most cases the number given was between 1 and 5.

6.4.2 *Personal Impact*

Visitors were asked to define the scale of personal impact upon them of a 10% increase in the ferry fares they pay. This used pre-defined categories included in the questionnaire. The results are shown at **Table 6.7**.

Table 6.7: Visitors: Personal Impact of 10% Increase in Fares You Pay on Corran Ferry

Impact	Percentage of Respondents
None	22%
Slight impact	51%
Significant impact	24%
Very significant impact	4%
Total	100%

Around one in five (22%) stated that the fare increase would have no personal impact for them. Where there was impact this was mostly expected to be slight. Those who expected a greater impact tended to refer to one that was significant rather than very significant.

The visitors provided further information about these impacts on an open-ended basis. We grouped them together by theme. The most common ones were:

- Fewer/no holiday trips to the area.
- Spend less while in the area on holiday.
- Fewer trips to visit friends and relatives.

6.5 Visitors' Reaction to 25% Fare Increase

6.5.1 *Impact on Use of Corran Ferry*

The same issues were covered in relation to a **25%** increase in the fare level currently paid. Based on current fares that would represent for:

- *Single ticket for car/light goods vehicle*-an increase from £7.60 to £9.50.
- *Book of 30 tickets for car/light goods vehicle (valid for 1 year)*: an increase from £66.60 to £83.25 to per book-i.e. £2.23 to £2.79 per single trip.

Around two thirds (65%) said they would make fewer trips on the ferry as a result. Considerably less (22%) said that their number of trips would remain unchanged. The remaining 13% indicated "Don't Know".

The vast majority (90%) of those who would still make the same number of trips on the ferry would continue to make their trips accompanying their vehicle.

The position was very similar for those who would make fewer trips on the ferry. In making fewer trips they would still very largely travel accompanying their vehicle, rather than as a foot passenger.

Those would make fewer trips on the ferry were asked if they would replace some of the trips they currently make on Corran Ferry by travelling on the A861/A830 instead. Over half (58%) said they would do so. A further 32% said they would not switch any existing trips to the road. The remaining 10% indicated "Don't Know".

Again, the number of additional road trips that visitors stated that they would make were small. Most would make between 1 and 5 return trips per year. Very few said that they would make more than 10.

6.5.2 *Personal Impact*

Finally, respondents were asked to define the scale of personal impact upon them of a 25% fares increase. The results are shown at **Table 6.8.**

Table 6.8: Visitors: Personal Impact of 25% Increase in Fares You Pay on Corran Ferry

Impact	Percentage of Respondents
None	11%
Slight impact	31%
Significant impact	33%
Very significant impact	25%
Total	100%

The responses were quite varied. However, the vast majority (89%) expected some impact. The most common response was a significant impact. This was identified by 33% of visitors. A further 31% referred to a slight impact and 25% to a very significant one. Thus, more than half (58%) of visitors expected a significant or very significant impact.

The visitors provided further information about these impacts. We grouped these open-ended responses by theme. The most common ones were:

- Fewer/no holiday trips to/through the area.
- Additional time for travel by road rather than Corran Ferry.
- Spend less while in the area on holiday.
- Fewer trips to visit friends and relatives.

6.6 Comparison to Residents Findings

Compared to the results for residents (covered at **Chapter 5**) visitor respondents are:

- Less likely to be in the younger age groups-i.e. 16-34 years old.
- More likely be retired, and less likely to be working part time.
- Generally of a higher income level.
- Using the ferry service for discretionary trips.
- Of a more favourable opinion of current fare levels.

For a **10% increase** in the fares they pay to use Corran Ferry, visitors are:

- Less likely to make fewer trips on the ferry.
- Less likely to switch existing ferry trips to the road alternative-although a significant proportion did state that they would do so.
- More likely to report no personal impacts and less likely to refer to significant or very significant impacts.

For a **25% increase** in the fares they pay to use Corran Ferry, visitors are:

- Less likely to make fewer trips on the ferry-although a significant proportion of visitors stated that they would do so.
- Slightly less likely to switch existing Corran Ferry trips to the road alternative.
- More likely to report either no or only slight personal impacts.

6.7 Conclusions

The findings suggest that visitors appear more able to bear fare increases than residents. This reflects their generally higher incomes, more occasional use of Corran Ferry and their perceptions of current fare levels.

However, they also have the option of not using the service and holidaying elsewhere. In contrast, many of the ferry trips made by residents could be considered essential. Further not all visitors are in a high income bracket.

An important factor is what appears to be what is a very high level of repeat visits to the area. This has contributed to some visitors' perception of expensive fares. This is because they have seen their levels increase in recent years when they have returned to the area.

In addition to the above:

- The proportion stating that they would make fewer trips on Corran Ferry under a 25% fare increase is around twice that for a 10% increase.
- There is clearly expressed interest in diverting some existing ferry trips to the A861/A830 under both levels of fare increase.
- Stated personal impacts under a 25% fare increase are clearly more negative than for a smaller increase. The proportion of respondents citing either a significant or very significant impact increases from 28% to 58%.
- Like residents there is no evidence to suggest that many visitors would switch to travelling as foot passengers in the light of the fare increases.

The types of impacts stated under the 25% fares increase are very similar to those for a 10% increase. Both relate to less trips to the area and/or spending less when they are there. The difference-based on the survey results-is that under the larger fares increase they would apply to a greater number of visitors.

Capabilities on project:
Economics
Transportation

Business Survey: Main Findings

7 Business Survey: Main Findings

7.1 Introduction

A total of 18 businesses were surveyed by telephone. They comprised freight and coach tour operators and businesses located on the peninsula.

The freight companies carry a range of goods. The main ones were: animal feed; building materials; liquid fuels; livestock; quarry products; road salt; and timber. Some of those surveyed use Corran Ferry to take goods to/from Mull.

Many of the other businesses interviewed we undertake more than one type of activity. Across the sample the range of activities included: construction; creative industries; garage; primary sector (forestry, agriculture, crofting); retail; vehicle recovery; veterinary services; and visitor accommodation.

The rest of the Chapter analyses the main findings by theme.

7.2 Analysis by Theme

7.2.1 The Role of Ferry Fares

Businesses on the Peninsula

For businesses sending livestock to the mart the ferry fares are a relatively small proportion of the sales price. Depending on the number and type of animals dispatched the total value per shipment can range between £1,000 and £17,000. The ferry costs thus represent around 1-2% of the sales value. This is in a context where the prices fetched have been good in recent years.

Similarly, for those receiving goods the ferry costs are a small proportion of the total delivered price. For large loads of animal feeds the ferry appears to account for around 1-2% of the total price they pay.

The significance of ferry charge is less evident for retail deliveries. This is because the cost of transport is not always shown separately on their invoices. However, the weekly value of the retailers' purchases runs into thousands of pounds. Thus, the cost of the ferry is likely to form only a small part of the overall purchase price.

Some of the retailers are faced with an additional transport surcharge. The amount depends on their location on the peninsula and the size of the order have placed. The surcharges range between £10 and £20 per delivery. Thus, while they are an additional cost they do not form a large part of the overall cost of buying the goods.

One interviewee undertakes jobs on site in Argyll and Lochaber. When the ferry is used the cost of taking their vehicle on it represents around 2-3% of their total charge to the customer.

Similarly, the cost of a large tour coach on the ferry (£21.50) is relatively small when spread across the 50 or so passengers it is carrying.

Generally, among those we interviewed ferry costs are not a major element of their costs. However, they are still an additional charge. When fares are increased this will reduce their margin and/or lead them to raise the prices they charge to their customers.

The businesses placed ferry fares in the context of other costs that were rising. The main ones mentioned were energy. This includes vehicle fuel, with higher costs per litre for locally supplied fuel than in main centres like Fort William.

Freight Operators
For trips between the Fort William area and parts of the peninsula the Corran Ferry fares can represent up to 10% of the total cost.

For those further afield the ferry costs are a lower a proportion than this. This is because the driver time and fuel costs increase over a long journey, while the ferry fare is a constant. These longer trips are quite common. Companies from Inverness, Oban, north east Scotland and the central belt regularly deliver to the peninsula and/or use Corran Ferry as a through route to Mull. This is, in particular, for agricultural products and retail goods.

Serving the peninsula is made more expensive by a lack of return loads. Many delivering into the peninsula return empty. Thus, the income earned from bringing goods into the area has to cover the cost of both legs of the trip.

7.2.2 *The Road Alternative*

Time Saving
For freight operators Corran Ferry's key attraction is the driving time that it saves compared to the road alternative. This is particularly the case for journeys with a trip end south of Nether Lochaber.

in addition, there can be savings in diesel costs by the shorter journey. However, a number of operators felt that existing ferry fares or those likely to be charged in the near future were of a level that would largely eliminate the fuel saving.

Operators from outside Lochaber-where the driver is travelling a long distance in a single day-require the time saving offered by the ferry to avoid problems with driver hours. Driver hours are also an issue for Mull traffic. They reduce the attractiveness of using the Oban-Craignure ferry, rather than routing via Lochaline and Corran Ferry. This reflects the a later first arrival on the mainland from Mull and the need to check in 30 minutes before the sailing departs for Oban.

One company works at customers' sites and charge separately for travelling time to/from their premises. If these journeys were made wholly by road then the additional time to be charged to the customer is likely to make them uncompetitive.

For other operators the time saving allows a quicker return to their base from the peninsula. This means avoiding paying the driver for additional hours; or making another run with the vehicle before the close of business, increasing its productivity.

Because of the importance of the time saving there can be greater use of the road alternative in summer. This is because queues at the ferry can reduce or remove the time saving. Those whose premises are in and around the Corpach area are more likely to use the road than those based on Fort William.

Quality of the Road
A number of companies referred to what they saw as the poor quality of the A861 for goods vehicles, albeit that some do use it for certain trips. The quality is a deterrent to considering switching some trips from Corran Ferry, including the extra wear and tear on their vehicles.

Another issue is the height of some bridges on the A830. This prevents use of the road alternative by operators with the largest vehicles. This tends to affect lorries carrying timber, livestock and tall loads such as hay.

Smaller vehicles could be used. However, they are more expensive per tonne of goods moved. The largest timber lorries are able to carry 3-4 more tonnes than the next size down.

7.2.3 *Passing Ferry Fare Costs On To Customers*

The historically low charges for Corran Ferry have meant that some of those serving the peninsula have not always passed on some or all of the ferry costs to their customers. They may simply waive the cost or charge standard prices to customers across a wide area.

Others are not able to pass on increased ferry costs-either immediately or at all. Some have contracts for national companies (e.g. vehicle recovery) who only pay a standard rate per job that is not adjusted to reflect the ferry fares. This reduces the margins that the local company gets.

Larger volume hauliers have contracts or agreements for prices over a set period. They last up to three years. Some contracts do include allowances for general inflation and fuel costs but-at least to date-not an escalator for ferry charges.

As noted earlier some of the businesses on the peninsula receive goods on a delivered price basis. The transport costs are included within that price-although how much they are is unknown. This is a source of concern to the some of the companies. This is because they are unable to estimate by how much the cost of their goods will increase if Corran Ferry's freight charges rise.

7.2.4 *Visitors to the Peninsula*

Our discussions indicated a high level of repeat visitors. They includes generations of families having holidayed in the area over time.

One accommodation provider reported 70% of their customers as repeat visitors. As a result, it was reported that most visitors are aware of the number and scale of fare increases in recent years.

As well as using the ferry to travel when they first arrive and then finally depart the area, some also use it for day trips during their stay. This was seen as adding to their holiday. Visitors will travel considerable distances to make day trips to a range of destinations, such as Oban. Because of the distances involved day trips using the ferry were seen as more attractive to those staying in the east of the peninsula. Those in the west were considered more likely to make a day trip to Mull.

Some of the companies felt the current single fare was high for visitors and could act as a deterrent to them. This was particularly for day trippers to the peninsula-who include both "tourists" and residents of Lochaber.

One company mentioned that the attraction of the ferry was that most if not all the activities that visitors would be undertaking would be outdoors and free of charge-e.g. beaches. However, most businesses were unable to estimate the share of custom they derive from day trippers. Therefore, the scale of impacts from a decrease in their numbers is uncertain.

Another key finding is the extent to which some non-tourism business are reliant on visitor custom. Some shops referred to at least 50% of their annual turnover coming from visitors, while they were also significant for other types of businesses.

7.2.5 *Current Practice*

The companies' inbound goods very largely arrive via Corran Ferry. They are generally quite happy with the existing quality/frequency of delivery services. Concern was expressed, however, that if ferry fares continued to increase that some suppliers would no longer serve the peninsula.

The companies are quite reliant on third party deliveries. Their distance from suppliers and a limited number of staff mean that there is only a limited ability to go and pick up the goods themselves. They currently do so around once per week, principally to collect items that are not delivered to the area (e.g. fresh fish from Oban). However, one interviewee referred to a number of crofters travelling to Fort William to unload a delivery of hay and then bring it back to their crofts in their own vehicles.

The businesses also travel to Fort William for banking and other professional services. These trips are sometimes combined with other activities-e.g. domestic shopping.

7.2.6 *Predictability of Ferry Charges*

Some of the reaction to recent fare increases stems from what is seen as a lack of predictability. This was as to when fares will rise, broadly by how much and how much notice is given. It was contrasted to CalMac's approach. Their fare increases are usually levied at the same time each year and are of a similar scale.

This makes business planning more difficult. This is particularly for those looking to agree prices with key customers for a period ahead (e.g. timber, livestock).

It also creates uncertainty. There is presently no clear indication of future fares policy for Corran Ferry. Thus, the concern is that there may be a series of continuing large fare increases.

7.3 Conclusions

In most cases ferry costs are a low proportion of the overall freight vehicle trip cost. For those whose goods they are delivering they constitute a small percentage of the purchase price.

The main impact of higher fares would be to reduce the operating margins of both freight operators and those for/to whom they deliver. Many businesses on the peninsula will already be operating at relatively low margins. This reflects a number of factors including the main sectors in which they operate (primary, retail and tourism).

Freight operators will look to pass on increases in ferry fares. However, fixed price contracts may prevent this-at least in the short term. These tend to be for the largest HGVs-which saw the largest rises in the most recent round of fare increases. Where passing on fare increases is not fully possible, larger ones may be levied on smaller or more occasional customers.

There are limits to the extent that trips can be switched to the road alternative. Additional driving time could create issues regarding drivers' hours legislation. The largest vehicles are prevented from using the route because of bridge heights. Some others are deterred by the quality of the roads.

For most Mull traffic, Corran Ferry is more attractive than travelling via Oban-Craignure, in part because of that service's timetabling and vehicle check.

The high degree of repeat visits means that visitors are aware of recent fare increases. Yet it also indicates they place a high value on visiting the area. It is unclear how important day visitors are to the area's tourism economy. However, it is evident that visitors in general are significant to a range of types of business.

There is a perceived lack of predictability of fare changes on Corran Ferry. This can make business planning challenging-notably for freight operators. It also affects perceptions of current fares and possible reaction to any future increases.

Conclusions

8 Conclusions

8.1 Overview

Our conclusions reflects all of the information we have reviewed for this study. That includes carryings data, the absolute levels of current fares and our primary research with individuals and businesses.

Perceptions of transport fares are affected by a range of issues. In this case they include: the bulk upfront purchase of books of tickets by many users; recent fare increases; the benchmarking of fares against what they "should" be for a short ferry crossing; and concern about the scale and frequency of possible future increases.

The result is that the perception of fares may not match what-for those who use the car/LGV book of tickets in particular-is a low absolute fare level *per single trip*. It is, however, recognised that some activities will have been based on current fare levels and may prove less sustainable if/when fares are increased.

The online and business surveys provided us with a very useful understanding of how, why and for what purposes Corran Ferry is used. In particular, they informed our understanding of the difference in the *scale* of possible reaction to a 25% increase compared to one of 10%.

The context is a complex one. This reflects the road alternative and also a range of possible routings to/from Mull.

Further, the context is not static. It will alter over time through changes to road fuel costs and also to the Mull ferry services.

8.2 Conclusions

8.2.1 Impacts of A 10% Fare Increase

Residents

For most residents the impact would be slight. This reflects the absolute level of increase for most users (22 pence per single trip) and their total annual spend on ferry fares. The main economic impact would be the reduction in residents' disposable income. This needs to be viewed in the context of what are generally lower paid employment opportunities available to residents.

We would expect a slight decrease in the number of trips on the ferry. The survey results imply that some shopping and social trips are the most likely to be no longer made at all. That is most likely to affect households with children, the elderly and those on lower incomes.

Some trips for other purposes would be made via the A861/A830 rather that Corran Ferry. However, we would still expect trips to/from destinations south of Nether Lochaber to use the ferry service.

The impacts would be greater for frequent users and commuters in particular. This reflects their total payments for ferry fares over a 12 month period.

However, the current fare structure cannot distinguish between these groups and lower frequency users who use the book of tickets.

Visitors
Overall, the impacts would be slight. The survey results suggest that visitors would reduce trip-making on the ferry to a lesser extent than residents. This reflects that they are generally of higher income levels and more occasional users of the service. The high level of repeat visitors means they are aware of recent fare rises on Corran Ferry. However, it also means they place a high value on visiting the area.

There would a slight decrease in the number of visitor trips made on the ferry. This may mainly be day trippers to the peninsula (including Lochaber residents) rather than those staying overnight. Businesses we surveyed were generally unable to quantify the importance of day trippers to their overall sales. Thus, the scale of any such impacts are uncertain. There may also be some reduction in the number of visitors who use the ferry as a through route to/from Mull.

Any reduction in individual visitor spend due to their paying a higher fare is likely to be slight. This reflects the amount involved (an additional 76 pence per single trip).

Freight Vehicles
The business benefits to freight vehicles are such that a 10% increase is only likely to have a slight impact on their use of Corran Ferry This is especially the case for trips to/from areas south of Nether Lochaber. For Mull traffic, using Corran Ferry is still likely to be more attractive than travelling via Oban-Craignure.

There are also limits to the extent that trips can be moved to the road alternative. For larger vehicles this is because of some of the bridge heights along the route. For others, the additional driving time would create issues regarding drivers' hours legislation.

In most cases the ferry costs are a low proportion of the overall vehicle trip cost. For those whose goods they are delivering they constitute a small percentage of the total purchase price.

The main impact will be to reduce the operating margins of both freight operators and those for/to whom they deliver. The operators may not be able to pass on all the cost increases where they have a contract with agreed rates. These tend to be for the largest HGVs. These vehicles saw the largest rises in the most recent round of fare increases.

Businesses on the peninsula served by the freight operators will already be operating at relatively low margins. This reflects a number of factors including the main sectors in which they operate (primary, retail and tourism).

We would not expect there to be any impact on *tour coaches*. This reflects the fare level charged in relation to the number of passengers they carry.

8.2.2 *Impacts of A 25% Fare Increase*

General Point
The impacts of fare increases of this scale are much less predictable than lower ones. This is especially the case in the current context where there have been a number of fare increases in recent times.

Residents
The impacts could be much more significant than for a 10% increase. The absolute level of increase per single trip for those using the book of single tickets may still be modest. However, this would be felt over the course of all journeys made in a year and in addition to the recent fare increases.

Levels of social activity, accessing services and employment will have been based around ferry fares at a certain level. To some, existing fares may appear low or even very low. Yet a significant fare increase would still require adjustments to the lives of those who use the ferry-e.g. viability of working in a part-time job off the peninsula.

The impacts would be a further reduction in disposable income, and reduced trip-making by a greater number of residents. The former would affect the most frequent users and commuters in particular.

Some of the potentially most negative impacts-decisions on commuting and/or living on the peninsula-may only be discernible over a period of years rather than emerging in the short term.

Visitors
The survey results suggest that visitors' reaction could be disproportionate to that for a 10% increase. There is the risk that some existing repeat visitors may decide to holiday elsewhere.

This would leave tourism businesses needing to quickly find new markets after relying on a high level of repeat custom. The impacts would extend beyond "tourism" business to other ones on the peninsula-notably retail.

Freight Vehicles
As well as increased transport charges and reduced margins a 25% increase could lead to, first, some Mull freight traffic giving full consideration to routing via Oban-Craignure, with possible revenue implications for Corran Ferry.

Second, there appear to be some businesses serving the peninsula which do not currently build the ferry costs into their charges. They could now choose to do so, and at the full level of the increased fare. This would reduce the margins of the businesses-and households-for/to whom they deliver.

8.2.3 Monitoring and Evaluation

Highland Council should monitor the impacts of the fare increases they decide to implement. This should be, first, in terms of ferry carryings. Second, the social and economic impacts of the fare changes. That would also capture the effects of the previous fare rises in 2013.

10 % Fare Increase

Residents

For most residents the impact would be slight. This reflects the absolute level of increase for most users (22 pence per single trip) and their total annual spend on ferry fares. The main economic impact would be the reduction in residents' disposable income. This needs to be viewed in the context of what are generally lower paid employment opportunities available to residents.

We would expect a slight decrease in the number of trips on the ferry. The survey results imply that some shopping and social trips are the most likely to be no longer made at all. That is most likely to affect households with children, the elderly and those on lower incomes.

Some trips for other purposes would be made via the A861/A830 rather that Corran Ferry. However, we would still expect trips to/from destinations south of Nether Lochaber to use the ferry service.

The impacts would be greater for frequent users and commuters in particular. This reflects their total payments on ferry fares over a year. However, the current fare structure cannot distinguish between these groups and lower frequency users who travel using the book of tickets.

Visitors

Overall, the impacts would be slight. The survey results suggest that visitors would reduce trip-making on the ferry to a lesser extent than residents. This reflects that they are generally of higher income levels and more occasional users of the service. The high level of repeat visitors means they are aware of recent fare rises on Corran Ferry. However, it also means they place a high value placed on visiting the area.

There would a slight decrease in the number of visitor trips made on the ferry. This may mainly be day trippers to the peninsula (including Lochaber residents) rather than those staying overnight. Businesses we surveyed were generally unable to quantify the importance of day trippers to their overall sales. Thus, the scale of any such impacts are uncertain. There may also be some reduction in the number of visitors who use the ferry as a through route to/from Mull.

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Businesses on the peninsula served by the freight operators will already be operating at relatively low margins. This reflects a number of factors including the main sectors in which they operate (primary, retail and tourism).

We would not expect there to be any impact on **tour coaches**. This reflects the fare level charged in relation to the number of passengers they carry.

<u>25% Fare Increase</u>

The impacts of fare increases of this proportion are much less predictable than lower ones. This is especially the case in the current context where there have been a number of fare increases in recent times.

<u>Residents</u>

The impacts could be much more significant than for a 10% increase. The absolute level of increase per single trip for those using the book of single tickets may still be modest. However, this would be felt over the course of all journeys made in a year and in addition to the recent fare increases.

Levels of social activity, accessing services and employment will have been based around ferry fares at a certain level. To some, existing fares may appear low or even very low. Yet a significant fare increase would still require adjustments to the lives of those who use the ferry-e.g. viability of working in a part-time job off the peninsula.

The impacts would be a further reduction in disposable income, and reduced trip-making by a greater number of residents. The former would affect the most frequent users and commuters in particular.

Some of the potentially most negative impacts-decisions on commuting and/or living on the peninsula-may only be discernible over a period of years rather than emerging in the short term.

<u>Visitors</u>

The survey results suggest that visitors' reaction could be disproportionate to that of a 10% increase. There is the risk that some existing repeat visitors may decide to holiday elsewhere. This would leave tourism businesses needing to quickly find new markets after relying on a high level of repeat custom. The impacts would extend beyond "tourism" business to other ones on the peninsula-notably retail.