

The Highland Council

**Lochaber Area Committee
27 February 2014**

Agenda Item	8
Report No	LA 5/14

Corran Ferry – Socio Economic Study on Ferry Fares

Report by Director of Community Services

Summary

This draft socio-economic study in **Booklet A**, prepared by AECOM, consultants, was considered by the Transport, Environmental and Community Services (TECS) Committee on 6 February 2014 and has now been issued for consultation. As part of the consultation Lochaber Area Committee are asked to consider the contents of this report and advise on any comments they may have on the study such that these may be presented to the next available Community Services Committee to allow the Council to set a strategy for future fare increases at Corran Ferry.

1. Background

- 1.1 The Corran Ferry is located in west Lochaber and serves Ardgour, Morvern and the Ardnamurchan peninsula. It is the second busiest ferry in Scotland with around 290,000 vehicle trips per year.
- 1.2 The Council operates 2 ferries at Corran narrow, the MV “Corran”, the principal vessel, and the MV “Maid of Glencoul” the reserve vessel.
- 1.3 There are a number of running costs required to keep the ferry service operational, including, but not limited to:
 - Staffing
 - Fuel
 - Engine Repairs & Maintenance
 - Annual refits
 - Insurance
- 1.4 Over the past 10 years there have been some extraordinary rises in individual costs, such as fuel, which has risen by over 300%. This has resulted in an average 5.3% increase per annum on the total costs of running the Corran Ferry since 2002/03. This equates to a current cost rise of £54,000 per annum.

- 1.5 Members may recall that as part of the Revenue Budget agreed by the Council on 7 February 2013 it was agreed to introduce a revised fares structure for the Corran Ferry to raise an additional £100k in income, this being in addition to the annual inflationary increase.
- 1.6 At TECs committee in September 2013 Members approved a 30p per trip increase in ferry fares to be applied from 1 November 2013 and deferred any significant increase in fares until a socio-economic study on fare level increases was carried out.

2. Socio-Economic Study

- 2.1 AECOM, transport consultants were appointed in October 2013 to carry out an independent socio-economic study of Corran Ferry Fares.
- 2.2 In December 2013 /January 2014 a web survey of users by survey monkey was carried out and this attracted a high proportion of visitors over the holiday period. This survey attracted almost 593 responses. This survey was supplemented by a telephone survey of business users and stakeholders.
- 2.3 The results of the survey were analysed considering a 10 % increase and a 25% increase in ferry fares.
- 2.4 A draft study report is attached in **Booklet A** and Lochaber Members are asked to comment on the contents of the report as part of a local consultation.

3 Consultation

- 3.1 Members should note that this draft study report has also been issued for consultation to the local Community Councils and Argyll & Bute Council within the ferry catchment as follows:
 - Ardgour Community Council
 - Strontian Community Council
 - Acharacle Community Council
 - Lochaline Community Council
 - West Ardnamurchan Community Council
 - Argyll & Bute Council
- 3.2 At the end of the consultation period and following receipt of comments the report will be resubmitted to the next available Community Services committee for finalisation and to allow a strategy to be agreed for future increases in Ferry Fares.

4. Implications

- 4.1 The interim fares increase proposed for 1 April 2014 will assist with Revenue income but will not keep pace with current ferry inflation costs on fuel and refits.

- 4.2 There are no legal implications arising from this report.
- 4.3 There are no equality implications arising from this report.
- 4.4 There are no climate change implications arising from this report.
- 4.5 There are no known risk implications arising from this report.

Recommendations

The committee is invited to:

- i. comment on the attached draft socio-economic study in **Booklet A**; and
- ii. note that their comments, along with all other comments received on the draft socio-economic study, will be reported back to the next available Community Services Committee to allow the Council to set a strategy for future fare increases at Corran Ferry.

Designation: Director of Community Services

Date: 14 February 2014

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Background Papers: None