

**The Highland Council**  
**Community Services Committee**  
**4 February 2016**

Agenda Item	<b>11</b>
Report No	<b>COM 8/16</b>

**Corran Ferry**

**Report by Director of Community Services**

**Summary**

This report follows up on recommendations and actions from the Community Services Committee of 5 February 2015 and the Highland Council meeting of 12 March 2015. A fares increase of 2 % is recommended.

**1. Background**

1.1 The operation of the Corran ferry service was discussed at the Community Services Committee on 5 February 2015 and at the Highland Council on 12 March 2015. These discussions concluded that it was:

i. **AGREED** that the option to transfer the operation of the Ferry to Transport Scotland be given no further consideration;

ii. **APPROVED** a 2% per annum increase in the Corran Ferry fares from 1 April 2015;

iii. **AGREED** the following five actions –

(a) clarity being received on what specifically was the State Aid block to this crossing being subsidised (by 31 May 2015),

(b) the carrying out of a full analysis of the financial costs – initially with the Lochaber Members (by 30 June 2015),

(c) community consultation being undertaken on alternative ways to reduce costs (by 31 August 2015),

(d) production of a robust Business Plan which in the short term focused on savings and efficiencies and in the longer term – 5 years plus – explored the potential of renewable energy in a fixed crossing (by 31 December 2015) and

(e) completion of an Equalities Impact Assessment with independent confirmation that Highland Council was complying with European Equalities legislation 2010 (by 31 December 2015); and

iv. **AGREED** that a report go back to the first Community Services Committee meeting in 2016 detailing the outcomes of these actions and recommending the fares to be applied for 2016/17.

1.2 The ferry service has continued to provide a safe and reliable crossing of the Corran narrows throughout the year. Refits have been undertaken as planned.

## **2. Legal Position**

2.1 In respect of action iii) (a) above, legal advice was sought and received regarding the inter-related issues of State Aid and the potential impact of the Maritime Cabotage regulations.

2.2 The Maritime Cabotage regulations introduced freedom to community ship owners to provide maritime transport services within member states. The Regulations specifically include the carriage of passengers or goods by sea between ports situated on the mainland without calls at islands. The Corran ferry route would thus appear to fall within the definition of 'maritime cabotage' and the scope of the Regulation. It is arguable that the Council is restricting this freedom in its operation of the Corran Ferry on a non-commercial basis. In the event that the Council were to consider testing the market's interest in the operation of the service it would enjoy considerable discretion in defining its requirements for the service. The Regulations do allow public service contracts (PSCs) to be agreed with shipping companies or the imposition of public service obligations (PSOs) on such companies where there are regular services to, from and between islands. The position is unclear but it does appear that peninsulas may be treated as islands for the purposes of the Regulation if a minimum detour of 100km by road is required before locations are linked. The detour by road to link Corran is 67km, although there is also the issue of substandard height railway bridges. On this basis it is considered that the Corran ferry will not be considered to link 'islands' allowing either imposition of a PSO or conclusion of a PSC. This position has not been explored further at this stage as the Council is not currently in a financial position to subsidise the crossing, due to the severe financial constraints which it is facing. In future years it may be the case that this can be looked at again, should Members wish.

2.3 Having taken full account of the legal advice and cognisance of the Council's potential exposure to challenge it is proposed that the operating regime should remain unchanged at present.

## **3. Cost Analysis**

3.1 Discussions were held with Members at their Ward Business Meeting on 27 April 2015 regarding the finances of the ferry operation.

3.2 The following financial information has been made available to the community appointed accountant:

- Detailed financial information for years ended 31 March 2013, 2014 and 2015;
- Budget information for 2015/16 including financial information for the 6 months ended 30 September 2015;
- Summary payroll information for the year ended 31 March 2014;

- Carryings and income information for years and comparative periods 31 March 2015 and 30 September 2015;
- Providing specific information on refit costs and fuel costs, including procurement of both items of expenditure;
- Supplying information on the fuel duty rebate;
- Supplying copy invoices as requested;
- Answering various questions on the detailed financial information supplied.

The Council has not been made aware of any anomalies in this financial information.

3.3 Actual Income and Expenditure figures for the ferry operation from 2002/3 to 2014/15 are contained in Appendix 1. This shows that the operation returned a £10,415 surplus for 2014/15 before the application of capital charges.

#### 4. Community Consultation

4.1 A Ward Forum was held in Strontian on 18<sup>th</sup> May 2015 which was attended by 35 people. Area Committee Chairman Thomas MacLennan chaired the meeting and Councillor Brian Murphy was in attendance. Also in attendance was Community Services Chairman Graham Mackenzie, along with the Community Services Director and relevant officials. The audience contained Community Council representatives, members of the public and Council staff.

4.2 The presentation at this meeting covered key background points:

- Socio Economic Study
- State Aid
- Need to break even
- Fare increases
- Public consultation
- The future

4.3 Detailed financial information was handed out to attendees giving the recent history of expenditure and income. The presentation also highlighted for those present the major influences in expenditure, significant measures to reduce fuel consumption, and the significant fixed and variable costs of the operation.

4.4 There followed a question and answer session along with a break out session to promote discussion and collect suggestions for the improvement of the service.

4.5 In the feedback session at the meeting, the actions in the table below were agreed. Proposed responses have been entered against these.

Proposed Action	Proposed Response
To consider charging pedestrians and cyclists	This is not being taken further at present.

To pursue sponsorship / advertising	This is being followed up with the Council's Commercial Manager.
To consider review of charges for coaches / lorries, with reductions for local companies	The charges for other users would have to be increased in order to facilitate reductions for local companies, while preserving the break-even position.
To consider producing differing ticket book sizes e.g. 45 / 20 tickets	Smart ticketing would allow the introduction of more multi-journey options.
To continue pursuing smart ticketing	This is being considered and is dependent on us securing robust ticket machines which can withstand the arduous conditions on the crossing.
To consider charges for disabled concessions, but with the subsidy being set against another Council budget rather than the Corran Ferry budget.	This can be considered however the Council is facing severe financial constraints making this unlikely at present.
To consider further options to reduce maintenance costs	These are continually being examined as part of the management of the service operation.

4.6 The meeting also agreed that the Council should pursue a change of policy by Transport Scotland to vary the terms of the Road Equivalent Tariff (RET), so that not all routes are treated the same way. Transport Scotland have been contacted regarding this and have indicated that their starting point is that RET would apply and that driver and passenger fares would be applicable. This would lead to an end of the 70% discount available on the Corran service for advance purchase books of tickets as fares were brought into line with RET. It is not proposed to pursue this further.

4.7 There was no support for any change to the Ferry timetable.

4.8 There followed a wider community consultation during June and July. The results of the community consultation are contained in Appendix 2. The original seven proposed actions from the 18<sup>th</sup> May meeting were ranked in order of priority by consultees. A proposed response has been prepared in relation to the other suggestions put forward by consultees, also in contained in Appendix 2.

4.9 It is not proposed to pursue charging for drivers, passengers or cyclists at this stage. It is not proposed to charge for blue badge holders at this stage.

## 5. Screening for Equalities Impact and Rural Impact

5.1 An equality impact assessment screening was carried out to assess potential

impact on the protected characteristics covered by the Equality Act 2010. This is contained in Appendix 3.

- 5.2 From this initial screening it is evident that a full Equalities Impact Assessment is not required.
- 5.3 A rural impact assessment was also carried out to assess the potential impact on rural communities. This is contained in Appendix 4 and identifies the potential for negative and neutral impact. It also identified the potential for positive impact which could result from a review of options to deliver the service more efficiently.
- 5.4 It is normal Council practice to publish information on Equalities impact and Rural impact on the Council website, which is then open to scrutiny and comment from interested parties. This approach is deemed to provide independent confirmation of the findings of these impact assessments.

## **6. Future Options**

- 6.1 In considering options for a future fixed link crossing, the potential of incorporating renewable energy generation has been considered. A report on this is contained in Appendix 5.
- 6.2 The report concluded that a fixed link incorporating renewable energy was unlikely to be viable. The report also concluded that there was likely to be a low cost to benefit ratio for a fixed link making it difficult to prioritise in a highly competitive capital programming process.
- 6.3 The Council's Capital Programme currently contains, in its list of "Below the Line" projects, an allowance of £8 million for a replacement Corran ferry boat in year 2022/23.
- 6.4 It is recognised that this report does not go into detail but provides a preliminary guide to the options to be pursued. Further work is required to assess the whole life costs of a new bridge against a replacement ferry vessel. We are working with HITRANS to secure funding for a more detailed study into future options.

## **7. Proposed Fares Increase**

- 7.1 Increases in fares during 2013 resulted in changes in ticket purchasing behaviour:

<b>Period</b>	<b>Single Tickets sold</b>	<b>Books of Tickets sold</b>
11/12 – 11/13	86778	4982
11/13 – 11/14	90727	4125

Overall there was an increase of 800 cars during 2014 following the increase.

- 7.2 Examination of the expenditure and income figures to end of November show

that whilst expenditure on fuel is less than budget profile by £35,200, income is also less than expected by a similar amount. The refit this year has been average in cost and full invoice information is to be confirmed at time of writing this report. Expenditure of £70k is expected on a mooring renewal for MV Maid of Glencoul.

7.3 For next year we are making the following assumptions on the significant items of expenditure:

- Employee costs will increase by 1%
- Fuel will increase by 5 %
- Other expenditure will remain the same.

7.4 In order to retain the position of income covering costs, based on these assumptions, we are proposing a fares increase of 2%.

7.5 The impact of RET on the Calmac services to Mull remains to be seen. This new fares structure was introduced in October 2015 and it will not be until after the major tourist traffic period in 2016 when any effects will become apparent.

7.6 Further work is required on the introduction of more flexible fares. The availability of ticketing hardware which will enable this is being explored with suppliers.

## **8. Implications**

8.1 There are no Resource implications arising from this report other than those identified in Section 7. [Resource; Legal; Equalities; Climate Change/Carbon Clever; Risk and Gaelic and Rural implications]

8.2 Legal implications are discussed in Section 2 of this report.

8.3 Equalities implications are identified in Appendix 3.

8.4 There are no Climate Change/Carbon Clever implications arising from this report.

8.5 There are no Gaelic implications arising from this report.

8.6 Rural implications are identified in Appendix 4.

## **Recommendation**

Members are invited to:

- i. **Note** the legal position;
- ii. **Note** the extent of the financial information made available to the community;
- iii. **Note** the outcome of the community consultation and **agree** the proposed responses;
- iv. **Note** the position regarding Equalities and Rural Impact;
- v. **Note** the position regarding future options and the need to produce whole life costings;
- vi. **Agree** to a fares increase of 2% for 2016/17.

Designation: Director of Community Services

Date: 20 January 2015

Author: Cameron Kemp, Area Community Services Manager, Lochaber, Nairn, Badenoch & Strathspey.

Background Papers: Community Services Committee 6 November 2014 Agenda Item 9; Community Services Committee 5 February 2015 Agenda Item 14; Highland Council 12 March 2015 Agenda Item 6.

COMMUNITY SERVICES													APPENDIX 1	
LOCHABER CORRAN FERRY ANALYSIS														
2002/03 to 2014/15 Actual Income & Expenditure														
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	
									£	£	£	£	£	
<b>Expenditure</b>														
Employee Costs	395,977	430,158	407,769	470,003	540,653	523,855	555,535	596,643	748,442	668,055	692,226	675,217	658,120	
Property Costs	8,706	9,309	11,578	11,885	15,157	17,383	19,546	16,702	25,310	22,538	26,490	27,231	26,037	
Fuel Costs	66,652	73,971	91,312	120,078	126,376	150,529	182,836	129,964	151,860	188,236	198,368	188,534	169,843	
Transport Costs	10,320	14,951	15,482	18,916	21,133	19,760	18,807	18,795	12,907	4,230	9,891	7,576	4,904	
Insurance	60,391	74,931	90,486	92,551	95,864	73,677	77,280	68,509	70,732	73,952	62,475	64,614	48,576	
Refit Costs	101,483	72,632	123,041	130,172	175,770	95,508	238,489	258,187	180,855	155,455	210,339	213,396	270,502	
Engine Repairs & Maintenance	44,780	30,601	64,972	188,762	35,953	167,585	66,129	66,445	65,672	63,207	78,071	167,382	55,656	
Other Costs	74,100	61,039	70,390	61,537	135,176	54,240	34,984	46,509	36,711	23,128	26,129	52,666	50,437	
	<b>762,409</b>	<b>767,592</b>	<b>875,030</b>	<b>1,093,904</b>	<b>1,146,082</b>	<b>1,102,537</b>	<b>1,193,606</b>	<b>1,201,754</b>	<b>1,292,489</b>	<b>1,198,801</b>	<b>1,303,989</b>	<b>1,396,616</b>	<b>1,284,075</b>	
<b>Income</b>														
Ferry Dues	(774,558)	(838,527)	(872,191)	(840,776)	(886,546)	(893,331)	(973,327)	(1,050,597)	(976,086)	(1,089,688)	(1,096,453)	(1,141,596)	(1,260,048)	
Other	(6,729)	(16,277)	(20,437)	(7,708)	(56,022)	(31,172)	(60,977)	(30,038)	(28,923)	(32,530)	(34,191)	(33,346)	(34,442)	
	<b>(781,287)</b>	<b>(854,804)</b>	<b>(892,628)</b>	<b>(848,484)</b>	<b>(942,568)</b>	<b>(924,503)</b>	<b>(1,034,304)</b>	<b>(1,080,635)</b>	<b>(1,005,009)</b>	<b>(1,122,218)</b>	<b>(1,130,644)</b>	<b>(1,174,942)</b>	<b>(1,294,490)</b>	
<b>(Surplus)/Deficit</b>	<b>(18,878)</b>	<b>(87,212)</b>	<b>(17,598)</b>	<b>245,420</b>	<b>203,514</b>	<b>178,034</b>	<b>159,302</b>	<b>121,119</b>	<b>287,480</b>	<b>76,583</b>	<b>173,345</b>	<b>221,674</b>	<b>(10,415)</b>	
<b>Capital Charges</b>														
	267,982	175,993	182,172	167,883	159,000	74,826	65,683	64,000	62,000	60,000	58,000	56,000	54,000	
<b>Loss after Charges</b>	<b>249,104</b>	<b>88,781</b>	<b>164,574</b>	<b>413,303</b>	<b>362,514</b>	<b>252,860</b>	<b>224,985</b>	<b>185,119</b>	<b>349,480</b>	<b>136,583</b>	<b>231,345</b>	<b>277,674</b>	<b>43,585</b>	



## APPENDIX 2

<p>The following proposed actions to reduce costs and/or increase income were agreed at the Ward Forum held in Strontian on Monday 18<sup>th</sup> May. The following consultation seeks to ensure that the widest community is aware of the actions being pursued and is content with them. Your views are also sought on any new suggestions which you may wish to have considered.</p>	<p>PRIORITY 1-5 where 1 = unacceptable and 5 = highest priority</p>			
<p><b>TOTAL RESPONSES RECEIVED = 59</b></p>				
PROPOSED ACTION		% of respondents supporting as high / highest	% of respondents regard as unacceptable / low priority	Ranked in priority
➤ to consider charging pedestrians and cyclists	<p>1 = 7 2 = 5 3 = 9 4 = 12 5 = 26</p>	64%	20%	4th
➤ to continue pursuing smart ticketing	<p>1 = 10 2 = 9 3 = 15 4 = 10 5 = 11</p>	38% (of 55 responses)	34%	7th
➤ to pursue sponsorship / advertising	<p>1 = 3 2 = 3 3 = 10 4 = 8 5 = 35</p>	73%	10%	1st
➤ to consider review of charges for coaches / lorries, with reductions for	<p>1 = 3</p>	71%	8%	2nd

local companies	<b>2 = 2</b> <b>3 = 12</b> <b>4 = 9</b> <b>5 = 33</b>			
➤ to consider producing differing ticket book sizes eg 45 / 20 tickets	<b>1 = 8</b> <b>2 = 4</b> <b>3 = 19</b> <b>4 = 8</b> <b>5 = 20</b>	<b>47%</b>	<b>20%</b>	<b>6th</b>
➤ to consider charges for disabled concessions, but with the subsidy being set against other Council budget rather than the Corran Ferry budget	<b>1 = 7</b> <b>2 = 6</b> <b>3 = 9</b> <b>4 = 6</b> <b>5 = 28</b>	<b>58%</b>	<b>22%</b>	<b>5th</b>
➤ to consider further options to reduce maintenance costs	<b>1 = 8</b> <b>2 = 4</b> <b>3 = 7</b> <b>4 = 2</b> <b>5 = 38</b>	<b>68%</b>	<b>20%</b>	<b>3rd</b>
<b>SUPPLEMENTARY SUGGESTIONS ATTACHED AT APPENDIX A</b>				

**CORRAN FERRY – ANY OTHER SUGGESTIONS – as at 27<sup>th</sup> July 2015**

	<b>SUGGESTION</b>	<b>PROPOSED RESPONSE</b>
1	<p>Larger ferry in summer to cope with heavy demand?</p> <p>Fewer crossings at quieter times of the day?</p> <p>Peak/off peak ticketing system to spread usage more evenly throughout the day/year.</p>	<p>It would not be cost effective to keep a larger vessel for summer only use.</p> <p>There would not be a significant saving with fewer crossings at quieter times as the engines require to be on full power to hold the vessel on station at either slip and the crew require to be on duty.</p> <p>Peak/off peak ticketing would complicate the fare structure and potentially upset cost recovery.</p>
2	<p>I would be concerned about the Smart Ticketing option if it meant that users travelling only 1 or 2 days a week were having to pay more in order to allow 5 day/week travellers cheaper fares.</p>	<p>One of the benefits of smart ticketing would be to ensure that the correct income is recovered from multi-journey ticket sales. Another benefit would be to enable more versatile fares to be introduced.</p>
3	<p>Why should disabled people travel free when they still use a vehicle usually one they don't pay any other charges on.</p>	<p>Charging for blue badge holders can be considered as part of the fares strategy.</p>
4	<p>I believe that the council should develop a programme for local residents of the peninsula to pay a monthly fee ie £40 to enable them to use the ferry as much as they need within that month. Also perhaps introduce a reduced monthly pass for those residents who live on the peninsula but work in Fort William and are making a financial difference to the peninsula area. This would ensure that residents can afford the ferry and would encourage families to move/stay on the peninsula thereby promoting rural life. If this was introduced then the fees for non-residents could be raised to aid maintenance costs.</p> <p>The approach is wrong - there should not be a 'break even' requirement on this service. You don't ask people who live in Inverness to pay for their new bypass. You don't have a whip around among drivers to repair roads. If the crossing was a bridge (as it should be) it would be free. The ferry should be paid for from the same public service obligation as roads and bridges.</p>	<p>All discounts require to be considered carefully as they have potential to impact adversely on cost recovery.</p> <p>The Council has agreed that the ferry service should be operated on a 'break even' basis.</p>

<p>5</p>	<p>It appears wholly perverse that the recent ward meeting in Strontian does not appear to have recognised the obvious.</p> <p>Corran ferry is part of the UK national road network. No other regional authority in the UK or Scotland is required to provide and maintain a 500 yard section of A class Trunk road from entirely within its own revenue and block grant resources. For this reason alone Highland Region should no longer be required to provide and fund the lifeline connection between the A82 and the A861 and 884. The route is also the shortest for traffic accessing the lifeline A849 on Mull. Full responsibility for maintenance and finance of this link should be addressed by Scottish Transport Ministers at Holyrood.</p> <p>If the ferry was wholly funded by the Transport budget for Scotland, at a stroke the administrative burden of justifying and reconciling cash transactions on a daily, weekly, monthly and yearly basis, would end. Ferry personnel would be freed up for other duties within their shifts. By removing ferry fares, dedicated office staff within Highland Council would no longer be required to rationalise cash receipts and routine expenditure. They would be freed up for other duties as well. One block grant from Holyrood on a yearly basis administered by a tiny management team would suffice. Local employment, shift supervision and management could continue funded through the Trunk roads budget.</p> <p>This is the only option that merits proper consideration. Everything else currently being explored or proposed is Lochaber's equivalent to "shifting deckchairs as the ship sinks". The supposed EU legal impasse on funding options for ferries such as Corran - hinted at by past Highland Council administration members - is already shown up for the myth it was. The black hole at the centre of the operation where crossings made and fares paid do not tally, stares us in the face. EU law contains sufficient flexibility on unusual Transportation issues. These have hardly been fully explored or tested.</p> <p>While some Highland Council employees may wish to keep Corran ferry management - "in house" - for their own personal reasons, Councillors should actually be looking at the security of this operation for this region and wider</p>	<p>The current position is that the Council require to operate the ferry service and transferring the operation to Transport Scotland is not being considered further at the moment.</p> <p>Options for the future of this transport link are being considered and will be presented in due course.</p>
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	<p>industry within Scotland, for the longer term.</p> <p>If - God forbid - the present ferry ever suffered severe damage, Highland Council funds could never afford to replace it without full capital support from Central Government. Therefore, it should be obvious the thing is already too vital and costly to Scotland's economy for such a parochial approach to be allowed to continue.</p>	
6	<p>If disabled people are charged the full rate there will be no need for subsidy. Persuade the Scottish Government that the ferry is part of the trunk- road network and is its responsibility.</p>	<p>Charges for blue badge holders are not being considered at present.</p> <p>The Scottish Government do not consider that the ferry operation is their responsibility.</p>
7	<p>Smart ticketing does not help those living here but not travelling daily to work, so more likely retired or working local or owning a holiday house here, reduced rates should be equal for all regular and local users be it daily, weekly, or intermittent but still quite a lot of crossings.</p> <p>Visitors staying for a week or more are paying a lot if they want to cross a few times in the week so a discount for 6 tickets would help, not to the book rate but an incentive of a 25% discount maybe. Range of book sizes is good but still offering the same discount to help pensioners and the less well off with not such a big outlay in one hit. Extra discount for pensioners, we get free bus travel, reduced train fares so why not the ferry?</p>	<p>Smart ticketing would allow the introduction of more multi-journey discount options.</p> <p>Additional discount for pensioners is not currently being considered.</p>
8	<p>The local Community Car Scheme uses the ferry a lot but each trip costs the Car Scheme £9 (4 x ferry tickets at as near as dammit £2.25 each to go over, bring the passenger back, take them home again and then own return home). Not all of these people have Blue Badges, but all our drivers have big orange cards with the words "Lochaber Community Car Scheme: Driver On Duty" in black thereon, and the Police have happily agreed to treat these cards in the same way as they treat Blue Badges as long as the drivers are on official CCS business. Could the same courtesy be applied when using Corran Ferry? As I believe that all the funds come out of various parts of the Highland Council budget, it seems to me otherwise to be rather a case of "robbing Peter to pay Paul".</p>	<p>Unfortunately it is not possible to consider free crossings for further groups of people due to concerns over reduction of income recovery and corresponding inability to cover costs.</p> <p>Charging of pedestrians and cyclists is not being considered further at present.</p> <p>Charging for vehicle passengers could be considered and is the case on other ferry crossings, but is not being taken further at present.</p>

	<p>It's time to start charging pedestrians and cyclists, say £1 per trip, but frequent users should be able to buy a book of tickets too, similar to the vehicle ticket books but maybe overprinted with a big P (for Pedestrians and Pedallers). Would £10 for a 30-ticket book sound about right?</p> <p>Incidentally, although I usually buy a 30-ticket book, I once bought a 20-ticket book: it cost me 2/3 of the price of a 30-ticket book (which was understandable), but it was exactly the same as a 30-ticket book apart from the fact that 10 of the tickets had been torn out! What happens to those 10 tickets?</p> <p>3) I also think it might be worth charging a set fee for car &amp; driver, but charging passengers, say, £1 each.</p> <p>4) I'd also like to see fares being charged as whole pounds rather than pounds and so many pence, as I think it would make it much easier for the fare collector on the ferry!</p>	<p>Rounding of fare amounts certainly has advantages for the pursers in carrying out their duties.</p>
<b>9</b>	<p>Important local coach fares are not increased as additional costs would be passed on to passengers / pupils</p>	<p>Coach fare increases will have to be considered as part of the overall charging strategy.</p>
<b>10</b>	<p>RE disabled “blue badge” holders the costs incurred should come out of another budget – perhaps NESH? – Although this has huge pressure on its’ budget. The cost should not be debited to the ferry. I think there was basic agreement that the ferry timetable should remain unchanged.</p> <p>Although slightly out with this consultation, it would be helpful if there could be continuing work with the Lochaber Transport Forum regarding arrival times of the long distance buses e.g. Glasgow/Fort William so this would coincide with the ferry. This cannot happen if the ferry is “shuttling”. The local buses and ferry do seem to work together.</p>	<p>There are financial constraints across the Council so funding blue badge holder costs from elsewhere is not an option.</p> <p>It is difficult to coordinate directly with buses on the A82 due to the requirement to stick to a regular timetable. The frequency of crossings, especially during shuttling minimises delays for connections.</p>
<b>11</b>	<p>A blended approach of all the proposed actions would assist in maximising cost reductions/income.</p>	<p>Staffing levels and shift arrangements are already at an optimum to meet safe operating requirements.</p>

	<p>It may be useful to review the staffing levels and shift patterns of the Ferry Operatives to reduce staff costs by operating a minimum/optimum staffing level and avoid having additional staff on duty if they are not required.</p> <p>It may be worth exploring options for annual/bi-annual ticketing where individuals/companies who are regular users are given an additional option rather than a book of 30 tickets. Regular users currently buy back to back books. An incentive for them may be annual/bi-annual tickets which offer a reduction per journey based on the estimated costs of back to back 30 book tickets over the course of year. An average of 2 or more journeys per week or similar should be considered when determining regularity and cost.</p>	<p>Multi-journey discount purchase arrangements are being considered along with smart ticketing and on-line purchase of tickets.</p>
<b>12</b>	<p>Re 45/20 tickets is for those on lower incomes. Caravanette – the other day I saw a very large caravanette which was the length of 1.5 cars – perhaps this could be charged into 1.5 tickets = the cost of one car + one half car</p>	<p>This can be considered as part of the fares strategy.</p>
<b>13</b>	<p>HC should be looking at supporting local Voluntary Agencies, as they are already saving the HC vast amounts of money each year. With constant financial constraints and cuts on local voluntary agencies funding to penalise them further will only put further undue financial stress on them with the real possibility of them ceasing to afford to operate, causing major hardship to residents in rural areas. Thus causing more pressure on the HC to provide further services at a higher cost. A small charge for pedestrians and cyclists and would be a reasonable start, as well as reviewing charges for tourist bus companies, with reductions being considered for local charities, and services. Further options for reducing maintenance costs could be company sponsorship for a ferry (or part thereof), or use spaces on each ferry for advertising space. Smart ticketing would be cheaper (after the initial equipment outlay), with the option of prepaid journeys e.g. out of the area or local companies wishing to book at trip being able to do so online with proof of purchase through an e-mail or simple text message. Books of tickets are expensive to manufacture and if they are not all sold within the financial year the extras are just financial waste.</p>	<p>Unfortunately it is not possible to consider free crossings for further groups of people due to concerns over reduction of income recovery and corresponding inability to cover costs.</p> <p>Sponsorship/advertising revenue is being pursued. Charging for pedestrians and cyclists is not being considered further at present.</p> <p>On-line purchase of tickets is being considered.</p>
<b>14</b>	<p>Penalising the local community groups for providing services in rural areas needs immediate addressing. It is noted that the HC are continually trying to cut costs,</p>	<p>Unfortunately it is not possible to consider free crossings for further groups of people due to concerns over reduction of</p>

	<p>and a small good will gesture to local voluntary groups using the Ferry on a regular basis would allow local services to continue the valuable work in the area.</p> <p>Care Lochaber feels with the added pressure from rising Corran ferry costs and the capped funding already received from the Highland Council, for this very important unique service, it is felt by many members of the community the loss of this service would be catastrophic for them and their health and wellbeing as well as putting at risk their independence and ability to live independently in their own homes, which, in turn would put pressure on local carer services, as well as the already pressured local residential homes.</p>	income recovery and corresponding inability to cover costs.
15	That the council should pursue wider strategic changes including investigation of a Public Service Obligation and lobbying for changes to the Road Equivalent Tariff.	These issues are being investigated.
16	Pursue trunk status of Corran to Lochaline/ Mull route and thereby look for central government ownership, and support for route.	Central government ownership has been considered but is not being pursued due to concerns over increased fares under RET.
17	If the Dartford Crossing is an example of smart ticketing then this would not be cost effective. One quarter of the vehicles (mainly lorries using and visiting cars) using the above crossing have not paid the use of on-line facilities to collect payment would be doubtful particularly when mobile phone and broadband coverage is limited/ not existent in certain rural locations.	Noted.
18	Charge motorbikes a bit more Big books of tickets only for locals Have a smaller (e.g. 20 ticket books for tourists with a slightly higher ticket price compared to local books Clamp down tourists being sent tickets: i.e. tickets must be booked	Smart ticketing would allow these variations and give better revenue control.
19	Charge by the metre on motorhomes and trailers. Stop sending books to tourists Motorbikes charged half car fare. Caravans should be charged double a car.	Charging per metre is too time consuming on such a short crossing. Smart ticketing will permit a wider range of ticketing options.
20	Really don't think busses/ lorries should be charged more as it would have an enormous knock-on effect on tourism and industry in an area which is already	Noted.



	economically fragile	
21	Finish the ferry earlier at night (except winter)	This could be considered, but currently no proposals to change the timetable.
22	None of the suggestions addresses the root of the problem. The ferry is not a “means of transport” – like a bus or train – but it is an essential and integral part of The road network. Ferry finances should be therefore be part of the roads budget – not an item in the transport budget	The Council has agreed that the ferry service is a stand-alone operation financially.
23	Does not help the council financially if just moving money around from one pot to another, how about nominal charges of £2 per vehicle? Increase fare for motor cycle, they take up quite a lot of space £2.80 too cheap! Increase fare for motorhome, some are huge and take up a lot more space than a car which is the same price	Noted.
24	Firstly, to me if maintenance is not done, I feel that safety may be an issue. Secondly, I personally know of local people who use the ferry with a blue badge on display, so as not to pay, but it is not their blue badge. The ferry staffs are not Police and it beyond their remit to check this so I think the disabled concession should be abolished. Also why do they get a concession? They are using the ferry the same as able people! If by chance they are going for a medical appointment, and are in receipt for benefits, I believe that travel costs are re-imbursed	Noted.
25	There should be a reduced price of tickets for locals people that live on the pension	This reduction would have to be compensated for by fares increases for other categories of traffic.
26	To pursue it being toll free like the Skye road bridge	The Council’s approach is to make the service ‘break even’.
27	Ferry is a part of Ardnamurchan social world. People, not technology, are essential	Noted.
28	Swing Bridge combined with tidal electricity generation	Future options for this transport link are being investigated and will be presented in due course.
29	Those MTL concessions are likely to be attending hospital or other healthcare appointments? Consider travel warrens for small journeys as MTL “Cal Mac”. Increased charges for local businesses/ companies is counterproductive – they need to bring business/ foods/ tourists into the area	Noted.

## APPENDIX 3

### **Equality Impact Assessment: Corran Ferry Service**

#### **Purpose of the Equality Impact Assessment:**

The Equality Act 2010 introduced a Public Sector Equality Duty (PSED) requiring public bodies to give due regard to the need to:

- Eliminate unlawful discrimination
- Advance equality of opportunity
- Foster good relations

Consideration must be given to the protected characteristics covered by the Equality Act. Assessments should 'consider relevant evidence relating to persons with relevant protected characteristics in relation to such assessments of impact'.

The purpose of an Equality Impact Assessment (EQIA) is to ensure that policies, functions, plans or decisions (hereafter referred to as 'policy' do not create unnecessary barriers for people protected under the Act, and that negative impacts are eliminated or minimised and opportunities for positive impact are maximised.

Screening is a short exercise to determine if a policy is relevant to equality and whether a full equality impact assessment (EQIA) should be carried out.

Title/description of the policy	Corran Ferry Service
Name of the person(s) carrying out the assessment?	Cameron Kemp
Service and Department	Community Services
Date of assessment	05 January 2015
What are the aims and objectives of the policy/function/strategy?	Review of the Corran Ferry fare structure to introduce increased fares in order to meet increases in operating costs.
Who may be affected by the policy	Users of the Corran Ferry service. This includes local residents (in order to access services and employment), tourists and commercial vehicles.
How have stakeholders been involved in the development of the policy?	<p>Elected Members previously agreed fares increase from 01 April 2015 and also agreed further actions including community consultation to be undertaken by August 2015 on alternative ways to reduce costs.</p> <p>A Ward Forum was held in Strontian on 18 May 2015 attended by 35 people. A wider community consultation was carried out during June and July 2015 on the following options:</p> <ul style="list-style-type: none"> <li>➤ to consider charging pedestrians and cyclists</li> <li>➤ to continue pursuing smart ticketing</li> <li>➤ to pursue sponsorship / advertising</li> <li>➤ to consider review of charges for coaches / lorries, with reductions for local companies</li> <li>➤ to consider producing differing ticket book sizes eg 45 / 20 tickets</li> <li>➤ to consider charges for disabled concessions, but</li> </ul>

	<p>with the subsidy being set against other Council budget rather than the Corran Ferry budget</p> <ul style="list-style-type: none"> <li>➤ to consider further options to reduce maintenance costs</li> </ul>
<p><i>Which parts of the public sector duty is the policy relevant to?</i></p>	
<p>1. Eliminate unlawful discrimination</p>	<p>✓ To ensure revised fare structures are introduced in ways that are non-discriminatory in respect of protected characteristics.</p>
<p>2. Advance equality</p>	<p>✓ Opportunities to remove or minimise barriers or disadvantage, including steps to promote equality and meet different people's needs.</p>
<p>3. Promote good relations</p>	
<p><i>What existing sources of information have you gathered to help identify how people covered by the protected characteristics may be affected by this policy or service?</i></p>	
<p>Eg Consultations, national or local data and/or research, complaints or customer feedback. Are there gaps in available data?</p>	<p>There is limited information regarding the use of ferry services generally as transportation by protected characteristics (eg Scottish Government Equality Evidence Finder). Most available information relates to physical accessibility (<u>Transport Scotland</u>) rather than levels of transport use.</p> <p>Transport Scotland's Ferries Plan included an <u>Equalities Impact Assessment</u> which reported findings from a household survey of island residents about their use of ferry services and has information on disability and young people's ferry use (Transport Scotland, 2013).</p> <p>A Transport Scotland (2014) <u>Survey of Customer Feedback on Concessionary Travel</u> cites that residents living in Highland (37%) (and Shetland (70%)) transport areas were significantly more likely to state that they used their concessionary travel card for ferry travel.</p> <p>Specifically regarding the Corran Ferry stakeholder consultation - referred to above - considered is given to changes to concessions for Blue Badge holders, including introducing charges and setting subsidy for charges against alternative budgets. This proposal has some support from consultation feedback (ranked 5<sup>th</sup> highest priority of 7 suggested actions). It is not proposed to proceed with the introduction of charges for Blue Badge holders.</p>

**Screening: Which of the protected characteristics is the policy relevant to? Tick and briefly describe any likely equalities impact (positive/negative/neutral).**

Characteristic	Positive	Negative	Neutral	comments
Gender			✓	No evidence of differential impact.
Age	✓			Older people – books of 30 tickets are currently available at discounted price to the general public and are normally valid for 1 year. For people over 60, the same discount is available for a book of 20 tickets with the period of validity extended to 2 years. No change is proposed to this concession.
Disability	✓			The service is accessible to disabled passengers. Currently Blue Badge holders and their vehicles travel free of charge. This concession would apply to any carers travelling with a disabled person.
Religion or Belief			✓	No evidence of differential impact.
Race			✓	No evidence of differential impact.
Sexual Orientation			✓	No evidence of differential impact.
Gender reassignment			✓	No evidence of differential impact.
Pregnancy/maternity			✓	No evidence of differential impact.
Marriage and Civil Partnership*			✓	No evidence of differential impact.
<i>Is there any evidence of, or potential for, negative impact? Does the policy contribute positively to the promotion of equality on any particular group?</i>	As detailed above. There is no change to the level of service provision provided by the Corran Ferry or the timetable. Current concessions for older people and Blue Badge holders apply. There is no proposal to change the level of concession for people over 60, however the extent to which people are affected by increased charges will depend on their use of the service.			

Should there be any significant changes to the current fares policy then further equalities assessment would be required.

The Equalities Impact Assessment Screening will be published on the Highland Council website.

## APPENDIX 4 - Corran Ferry Rural Impact Assessment

The current Council policy of increasing the fares on the Corran Ferry to meet increasing operating costs is required to be assessed in terms of the impact on rural communities. The results of the recent community consultation have been taken into account in this assessment.

Question		Assessment	Impact
1.	What will this change mean in rural communities?	The ferry timetable and vessel carrying capacity will remain the same, however there will be an increase in the level of fares. This is mitigated to some extent for regular users by the availability of discounted books of tickets.	Negative
2.	How will people in rural communities be affected?	<ul style="list-style-type: none"> <li>• There will be a higher cost of using the service. The extent to which people are impacted will depend upon their usage of the ferry.</li> <li>• There is alternative access to the area by road however this will result in increased costs. There are height restrictions on both road routes which can impact adversely on the transport of goods.</li> <li>• There may be an impact on tourism businesses due to increased cost of accessing the area.</li> <li>• The proposed increase of 2% is greater than the current rate of inflation.</li> <li>• Access to the ferry will not change as there is no proposed change to the timetable or vessel.</li> </ul>	Negative
3.	Are any other public services changing locally as well?	The Council is facing major budget challenges which may affect other services locally. The level of service provision at Corran Ferry will remain unchanged.	Neutral
4.	Have other options been considered?	Methods of delivering the service more efficiently are constantly under review. A community consultation was undertaken during the summer of 2015 and suggested changes to the service are being considered, introduction of smart ticketing, additional income from advertising, a review of the charging structure, and introducing a further range of discounted tickets.	Positive

## APPENDIX 5

### CORRAN NARROWS: FIXED LINK WITH RENEWABLE ENERGY

#### 1. Background

- 1.1. The Highland Council meeting on March 2015 approved that a longer term option for a fixed crossing be investigated by officers. In parallel, work for the preparation of the West Highlands and Islands Local Development Plan includes the consideration of a number of transport issues including the transport link at Loch Linnhe, between Nether Lochaber to Ardgour, at the Corran Narrows. This initial option review will assist with considerations by decision makers.

#### 2. Crossing

- 2.1. Given the higher costs and implications of local ground conditions no option for a tunnel has been investigated at this initial stage.
- 2.2. As part of the examination into options for a fixed crossing reference has been made to the Strome ferry Options Appraisal STAG documents.
- 2.3. An important aspect for consideration is the continued operation of the ferry service during any construction. Based on this the likely route of a prospective multi span bridge connecting the A82 (T) to the A861 would be to the south of the existing ferry crossing.
- 2.4. The overall distance between the two roads is in the region of 800 metres. Early consideration indicates a total of 12 spans with a mid-channel span suitable for navigation. Navigation requirements would need to be investigated further if a fixed link option is taken forward.

#### 3. Renewable Energy

- 3.1. In the case of Strome ferry three tidal technologies were considered:
- 3.2. Tidal Barrage: Construction of a barrage or dam across the narrows with generators. This would be significant civil engineering infrastructure, with associated costs, and creates significant risk to the environment. At Strome ferry this option was discounted.
- 3.3. Tidal Stream Devices: Devices would be located in the tidal stream of the narrows. They would operate like a wind turbine. Economic feasibility is limited by the tidal flow rates. In the case of Strome ferry it was concluded that the Tidal Stream option would not produce sufficient generation to payback

the capital and annual operation and maintenance within the lifetime of the equipment.

- 3.4. Tidal Fence: This option would narrow the width of the channel thereby increasing the flow and presenting potential greater generation opportunities. This technology is in its infancy and subject to higher levels of risk. For the Stromeferry Options Appraisal the recommendation was that further studies would be necessary to assist with consideration of this option.
- 3.5. In summary the consideration of renewable energy to offset costs of the fixed link indicate that there are substantial delivery and maintenance costs. The payback benefit is subject to a range of variables which mean the payback period could be at the limit of the operating life of the renewable energy equipment. There is no evidence that renewable energy options would in fact offset the costs for the fixed link.
4. Fixed Link Indicative Costs
  - 4.1. Following dialogue with the Project Design Unit the following estimations have been used to prepare an indicative cost band for a new multi-span fixed link:
    - 500 metre multi-span structure with an overall width of 10 metres;
    - 300 metres of new road construction;
    - New roundabout at the A82(T) junction
  - 4.2. Based on the above the overall costs are in the range of between £22M to £30M.
  - 4.3. The Stromeferry Options Appraisal identified the best benefit-to-cost (BCR) ratio for the options of 0.54. The BCR for a new fixed link at the Corran Narrows would likely be at a similar level (less than 1.0) which makes it more difficult for decision makers and funders.

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15 December 2015