

Aviation, Maritime, Freight & Canals

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Resident of Kerrera



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Dear Sir or Madam

Ferry Service on Kerrera

The Scottish Government is committed to ensuring ferry services continue to be provided to our island and remote rural communities. The Draft Ferries Plan, published in December 2011, contained our proposal for commercially run ferry services that in the event of market failure we would intervene if a route is deemed to have a lifeline nature. In addition, our proposal on the future responsibility of ferry services is that we will discuss with Local Authorities whether they wish to transfer responsibility for routes currently under their jurisdiction to the Scottish Government.

Since the Draft Ferries Plan was published, it has become clear that the ferry service on Kerrera is unsustainable in its current form and is not meeting the needs of the community. The Final Ferries Plan, published in December 2012, explained that Transport Scotland officials have been working to plan a package of measures for the continued provision of ferry services on the island.

A working group has been set up which includes representatives of Transport Scotland, Argyll & Bute Council, Isle of Kerrera Development Trust, Dunollie Estate, Kerrera Ferry

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Ltd and Oban Marina. The group has met several times, working towards delivering a package of measures.

Long term situation

The long-term future provision of ferry services on Kerrera is very much dependent on the issue of a road connecting the north and the south. Kerrera is forming part of the wider discussions which Transport Scotland is having with Argyll & Bute Council regarding transferring responsibility of their ferry services, ports and harbours to Scottish Government.

A STAG based study has been commissioned to investigate the long-term options and is due to report soon. Scottish Transport Appraisal Guidance (STAG) is technical appraisal guidance which *“supports the Scottish Government’s purpose by providing a clear framework to assess evidence based transport problems and opportunities”*.

Mr Brown made an announcement on 16 January that “as part of our commitment to improve ferry services to Kerrera, we are working with the community and Argyll & Bute Council on a number of options to make long term improvements to the ferry service and associated port infrastructure on the island and mainland. This new funding will ensure appropriate infrastructure is in place to match future services.”

Short term support

In the short-term (18 months – 2 years) the Transport Minister, Keith Brown, has agreed to provide grant support to Kerrera Ferry Ltd and funding for urgent improvements to infrastructure.

Transport Scotland officials have been working with the ferry operator in order to determine the level of grant support required to provide an improved ferry service which meets the needs of the community on Kerrera. A systematic approach, which is consistent with the approach taken with other islands, was taken to define the service level needs of the island. Previous year’s patronage levels were considered and the projected revenue under the new proposed arrangements was calculated.

The level of grant funding required to provide the proposed service has been calculated as £87,075 in year 1 (which includes start-up costs of a new ticketing system) and £56,961 in year 2. Capital funding of £50,000 will be spent on urgent repairs to the slipways (as recommended in the Kerrera Slipway Study commissioned by CMAL on behalf of Transport Scotland) and a further £17,00 on further studies of the infrastructure.

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It should be noted that non-urgent port and harbour infrastructure improvements are dependent on the provision of a road by the council.

Transport Scotland officials been working with Oban Marina to assess if there is a requirement for short term grant support for the ferry service in the north.

Road Equivalent Tariff

The Scottish Government is committed to rolling out a road equivalent tariff (RET) system of fares for passengers, cars and small commercial vehicles across the network.

The level of grant support which Scottish Government is providing to support ferry services on Kerrera assumes that operators charge RET fares. Specific fare levels are set out in more detail in the Community Agreement. Below is some further information on the RET fares policy.

RET is a distance-based fares system which means that ferry user will pay the same rate per mile, regardless of where they are travelling from and to by ferry. This fares system has the benefit of being transparent, fair and simple. RET will bring consistency across the whole ferry network.

RET was introduced on services to the Western Isles, Coll & Tiree in 2008 and to Islay, Colonsay & Gigha in 2012. It will be rolled out to Arran in 2014 and to the rest of the West Coast & Clyde Islands within this term of Parliament. It will be introduced on services to the Northern Isles at a later date. RET has brought significant benefits since its introduction, boosting local tourism and island economies.

How RET is calculated

RET is calculated by a fixed element plus a rate per mile. The current formula for cars and small commercial vehicles (up to 6m) is £5 plus £0.80 per mile. For passengers it is £2 plus £0.13 per mile.

The fixed element is to ensure that services on very short crossings remain economically viable and sustainable.

The formula will be reviewed annually in line with the cost of travel, to be applied at the beginning of the summer fares period (usually beginning of April). The formula Transport Scotland uses is calculated using independent figures from RAC and DfT.

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Transport Scotland officials will be attending the public meeting and will be happy to answer any questions or concerns you may have.

Kind Regards

Transport Scotland

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