

# Corran Ferry project Community bulletin



Sunart Centre, Strontian

**Welcome** to the second Corran Ferry project Community bulletin. One of the key aims of the Project is to engage with the Community and build a relationship of trust. As part of this engagement we recently held the project steering group meeting at the Sunart Centre in Strontian. The meeting was well attended and there was strong representation from the community councils.

## Coronavirus COVID-19

We were looking forward to holding a Corran Ferry Public Engagement event on the peninsula in the coming weeks. Following national guidance in relation to the Coronavirus COVID-19 situation this event has been suspended until further notice.

## Market Testing Exercise PIN

Highland Council recently contacted prospective contractors to give market notice that a procurement for the Corran Ferry service may be coming forward. The Prior Information Notice (PIN) was not a call for competition but intended to commence preliminary market engagement. There were 3 expressions of interest as below –

- Remontowa Shipbuilding S.A – (Shipyard based in Poland)
- Briggs Marine Contractors Limited - (Woolwich Ferry replacement London)
- Serco UK (Transport services - Including ferries)

Highland Council are grateful to the three companies for their response.

The purpose of the exercise was to understand if the opportunity to provide the service would be of interest to a commercial service provider, and to allow us to evaluate their response against our requirements for the Ferry service.

## Conclusion

The market testing exercise is a key project milestone and has demonstrated that no private operator would be willing to run the service (as specified by the THC) without a subsidy. The responses did not address the main challenge for Highland Council which is affording the capital expenditure to replace any of the major assets associated with the ferry service. The high-level capital cost for a new roll-on/roll-off hybrid vessel and the infrastructure arrangements to accommodate the Vessel would total £40m.

## Operational Costs

The Ferry operates on a break-even basis with running costs of £1.5M (this does not factor in management costs or capital reinvestment). We could not afford to pay any operator any more than that. With the constant downward pressure on fares, it is becoming increasingly difficult to afford that amount.

## Key issues

To determine the future provision of the Corran ferry service a number of key issues need to be addressed including - Who will fund the capital and revenue requirements of the service? Who will own the landside infrastructure? Who will provide the vessel(s) and how is relief cover provided? Who will operate the service? How will the fares be set and what level should they be at? Highland Council will have considerable discretion (but not unrestricted) in determining these requirements.



CMAL HQ, Port Glasgow

### CMAL Visit

The Project Manager, Area Roads Operations Manager and the 2 Ferry Foreman recently consulted with Caledonian Maritime Assets Limited (CMAL) at their headquarters in Port Glasgow. We received expert advice on the potential vessel design options for a new larger roll-on/roll-off ferry including the slipway designs that would be required to accommodate this type of vessel. It was noted that a hybrid vessel could provide a 30% reduction in fuel consumption and the timescale for building a new vessel would be just over 3 years.

CMAL have provided Highland Council with a statement of requirements document which will be used as a basis to outline the high-level requirements for a new vessel. The current main Vessel the MV Corran (28 cars) is too small. The service regularly departs from timetable operating a shuttle service to cope with the demand therefore a key consideration will be the size of a new vessel. How big? Highland Council will seek consultation with Naval Architects to assist with this work.

### 5-year Ferry Sustainability plan (2020 - 2025)

The time scales for having a new vessel fully operational including the construction of the required infrastructure and slipways could be over 5 years away. To sustain the current level of service there will need to be a 5-year Ferry sustainability plan (2020 - 2025). Significant capital spending will be required on both vessels and we will need to ensure that management / operational costs are all accounted for and adequately met. This will likely have a cost increase implication for our running costs, but we must be realistic about the true cost of running a safe modern service. The 5 Year Ferry plan will consider the following -

- Replacing the current ticketing system
- Reviewing the current Fares Structure (e.g. should vehicle length be the key variable for Commercial vehicles as opposed to the number of axles on the vehicle?)
- Upgrading the current Tender Vessel
- Reviewing the crewing model to ensure there is enough capacity to meet the frequency of shuttling and the increasing demand
- Possibility of a new birthing structure

### Key Decision

The Corran Ferry service is now at a point where a critical decision will need to be made as a delay in making a strategic decision to invest or transfer the service could result in service failure. The key outstanding question is how both the assets and the service should be delivered beyond this 5-year period. In relation to this the Council will be undertaking cost modelling to profile the likely capital spend for asset replacement.



### Transport Scotland

The Project Manager, Area Roads Operations Manager and the Head of Roads and Transport recently met with Transport Scotland in Perth. Progress is being made to explore all of the future method of delivery options in detail. Dialogue between Highland Council and Transport Scotland is set to continue.

For further information regarding the project, please contact us at

**Email:** [Corranferryproject@Highland.gov.uk](mailto:Corranferryproject@Highland.gov.uk)

Other information on the Corran Ferry can be found at

<https://www.highland.gov.uk/corranferry>