

Argyll & Bute Economy Thematic CPP Group



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Update on the Road Equivalent Tariff Pilot

Highlands and Islands Enterprise Partnership Engagement



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Objective of the RET Pilot

- Test and Evaluate a possible fares mechanism
 - Assess the social impact
 - Assess the economic impact



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Timetable

- Duration Autumn 2008 – Spring 2011
- Feb – Oct 2010 Ongoing monitoring
- Oct – Dec 2010 Report preparation by Halcrow
- Spring 2011 Pilot concludes





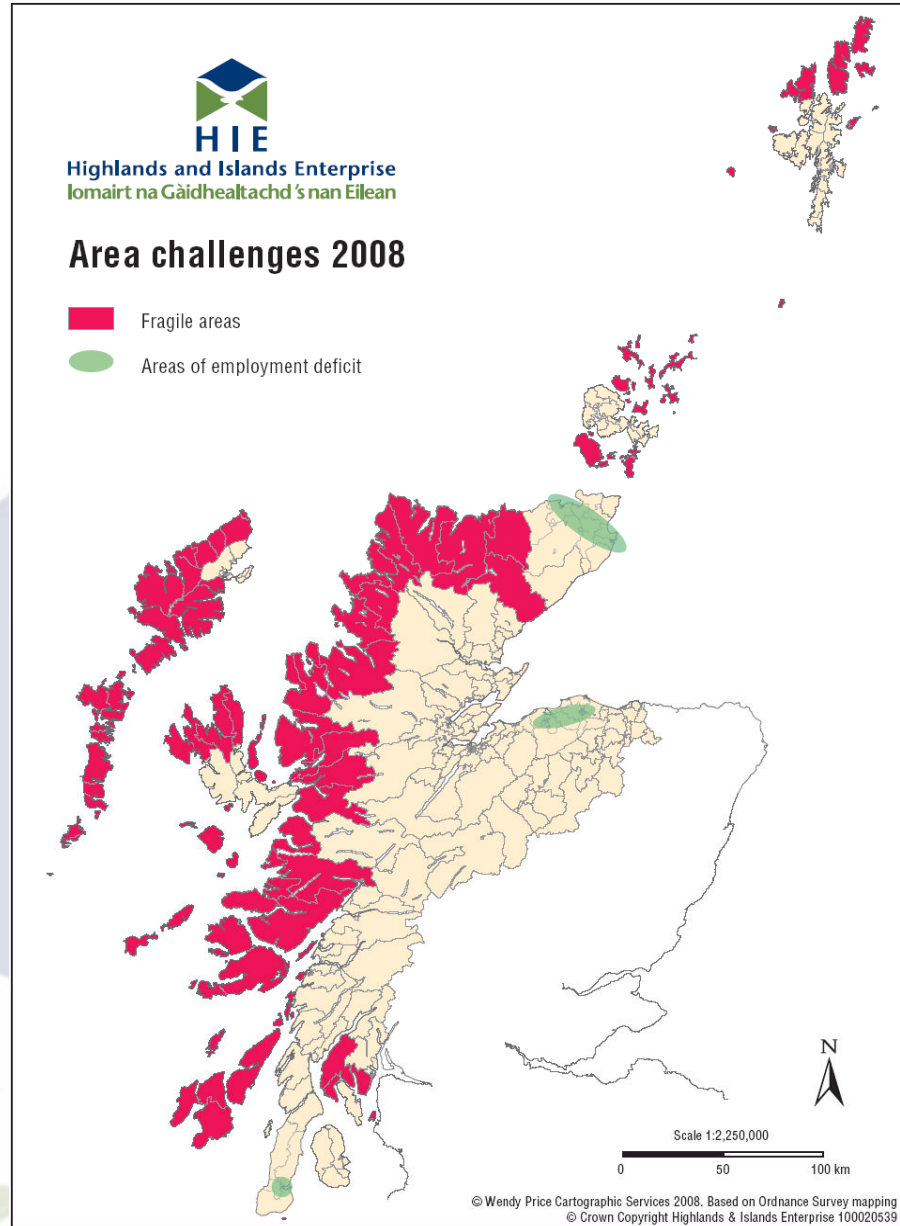
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Area challenges 2008

-  Fragile areas
-  Areas of employment deficit



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Objectives

- Supporting High Growth Businesses and Sectors
- Strengthening Communities, especially in the fragile parts of the region
- Creating the Infrastructure and conditions to improve regional competitiveness



HIE and Partners

- Highlands and Islands Enterprise
- Comhairle nan Eilean Siar
- Argyll and Bute Council
- Highland Council
- VisitScotland
- Caledonian MacBrayne



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The Partnerships Role

- Responsible for energising economic growth maximising the opportunity of RET.
- Since October 2008 HIE has led partners in undertaking a programme of direct and indirect public awareness raising.
 - Used a range of communication platforms and tools to develop awareness
 - including staff training,
 - public sessions,
 - media releases and
 - targeted mail shots.
- Partners have implemented promotional campaigns tailored to meet the needs of their own area of operation. These campaigns have, in the main, played out in Scotland's central belt.
- In addition, Partners are collectively working to support Halcrow's monitoring and evaluation work.



What has been done to date?

- Awareness Sessions
- PR Campaign
- Business Development information and advisory support



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Awareness Sessions and Outcomes

- 8 local events held
- Key message – this is a pilot and must be able to generate a robust evaluation of its impact as a result.



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Outcomes

- Positive attitude towards the introduction of RET generally
- Concerns over capacity in peak season (housing & vessels)
- Perception that some concessions have been lost
- Expectation that Freight costs would reduce not realised



Outcomes

- Most communities state there are opportunities to benefit from RET
- Tourism a key area for development
- Extend the season with events/offers
- Better provision for the independent traveller e.g. Motor homes
- Dedicated campsites



Outcomes

- Niche market opportunities – wildlife and flora.
- Links with other islands within RET pilot e.g. Coll/Tiree and Barra – make it easy
- If season extended everyone has to participate – e.g. café's open etc



What is being monitored?

A variety of measures which identify:

Changes in patterns of behaviour and investment to demonstrate social and economic impact.



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Interim Findings

An interim report from Halcrow in the December highlighted the following positive impacts:

- **Inter Departmental Business Register (IDBR) data for the pilot area March 08-March 09,**
 - 1% increase in VAT registered businesses and, on the basis 60 completed business questionnaires, a 4% increase in employment in these businesses and a 22% increase in turnover.

Larger than any of the comparator areas within Highland, Orkney, Shetland and Scotland as a whole.



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Interim Findings

- Carryings
 - Average fares on the RET routes fell by circa 40% for passengers and 36% for cars on the launch of the pilot.
 - Substantial increases in carryings are recorded on all of the RET routes during the first year (Nov 08 – Oct 09) compared to the same period during 2007/2008.
 - This equates to an overall increase of nearly 84,000 trips by passengers and around 40,000 car trips. Equivalent to a rise of 19% and 30% respectively.



Anecdotal Findings (with caveat)

- Some businesses are using the fact of cheaper fares in attracting and retaining high calibre staff.
- Some tourism businesses have indicated turnover up by 25%
- Some businesses are making capital investments to cater for new opportunities.
- A number of businesses have investments identified to implement in the longer term when they have further evidence of retaining the new markets they are accessing.



February to October 2010 challenge

What do we need to do?

- Opportunity – last 8 months
 - Encouraging businesses and communities in making the maximum use
 - Highlighting business respondees to contribute to the evaluation
 - Ensuring our communities understand the importance of the fares evaluation.



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For more information on the RET Pilot

<http://www.scotland.gov.uk/Topics/Transport/ferries-ports-canal/14342/TARIFF>



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Why HIE - The Government Economic Strategy

The Government economic strategy identifies 5 key challenges:

- Raising the economic growth rate
- Improving Productivity
- Extending the participation rate
- Encouraging population growth
- Improving social, regional and intergenerational equity.

