

INTRODUCTION OF ROAD EQUIVALENT TARIFF (RET)

1.0 EXECUTIVE SUMMARY

The introduction of Road Equivalent Tarrif (RET) on the ferry routes to the Isles of Bute and Mull are expected to increase the numbers of visitors to the two islands. The Isle of Bute is already improving the infrastructure on the island to encourage tourism and thus the introduction of RET is eagerly anticipated. Whilst the Isle of Mull is expecting an equivalent increase in numbers, there are more implications and challenges to the existing infrastructure that will need to be overcome. A comparison of fares to the two islands is shown at the Appendix.

2.0 INTRODUCTION

2.1 Road Equivalent Tarrif (RET) is a distance based fares structure which underpins the Scottish Government's commitment to providing one single overarching fares policy across Scotland's entire ferry network. Following a progressive roll out, RET will be continued on all of the remaining ferry routes in the Clyde and Hebrides ferry services network in October 2015. RET may be seen to have implications for both Bute and Mull.

3.0 RECOMMENDATIONS

3.1 That the EDI Committee notes the report.

4.0 DETAIL

4.1 The introduction of RET pricing has seen a significant increased demand on the Ardrossan to Brodick ferry service. It is anticipated that a similar increase in demand will be seen on the services to both the Isles of Bute and Mull. A comparison of fares pre and post RET to the two islands is shown at the Appendix. Of note is the Oban to Craignure service showing a reduction in a car fare from £33 down to £13.

4.2 IMPLICATIONS FOR THE ISLE OF BUTE.

The introduction of RET is therefore expected to make a significant difference to the tourism to the island which is expected to benefit local accommodation providers. It

may also help to stabilise the resident population as commuters will also benefit from lower fares. Infrastructure developments already occurring on the island are designed to encourage more tourism, therefore the introduction of RET is eagerly anticipated.

4.3 IMPLICATIONS FOR THE ISLE OF MULL.

Whilst the impact of RET on the Isle of Mull can be seen to be generally advantageous, the increase in traffic will bring some significant challenges.

4.4 CRAIGNURE PIER.

Transport Scotland published their Scottish Ferries Plan in December 2012 and as part of their strategy it is envisaged that there will both be a vessel replacement programme and a commitment to deploy two vessels on the Oban to Craignure route. The second vessel may be significantly larger, which may impact on the pier infrastructure at Craignure and may necessitate an upgrade to enable that facility to be able to accommodate a larger vessel. A project team has been formed with representatives from Transport Scotland, Caledonian Macbrayne, Caledonian Maritime Assets Ltd and Argyll and Bute Council to investigate the feasibility of deploying a larger vessel on this route. This team will investigate designs that will offer the flexibility to accommodate a range of vessels.

4.5 WIDER INFRASTRUCTURE IMPACTS.

Caledonian Macbrayne and Transport Scotland are producing volume estimates of the increase in traffic on the ferry service which may impact on the wider infrastructure in Mull including the road system, capacity of car parks, the capacity of the marshalling areas at Craignure as well as social and economic impacts to the island community. However it is assessed that traffic to Mull is down by about 30% compared to that seen 10 years ago when visitor numbers peaked as a result of the Balamory affect, implying that the island may already have some capacity for an increase in trade.

4.6 ONGOING LIAISON.

As well as continual liaison with this committee, the effects of RET and the economic benefits that it brings will be discussed with Area Committees and Community Councils.

5.0 CONCLUSION

5.1 The introduction of RET pricing has seen a significant increase in the volume of traffic to the Isle of Arran. It is envisaged that a similar increase in traffic be expected to the Isles of Bute and Mull.

5.2 The economic and social benefits brought by RET to these islands is to be welcomed, but it also brings some challenges to the infrastructure, particularly to the Isle of Mull that will need to be carefully managed to ensure maximum benefits.

6.0 IMPLICATIONS

6.1	Policy	Improvements to ferry services and harbours supports the Single Outcome priority for infrastructure that supports economic growth and in particular the aim of improving transport onnetivity across Argyll and Bute..
6.2	Financial	Unknown but possible cost implications to the Council if upgrades to infrastructure are required.
6.3	Legal	None
6.4	HR	None.
6.5	Equalities	None.
6.6	Risk	Major increase in traffic does not materialise.
6.7	Customer Services	Positive impacts to the local communities of Mull and Bute.

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APPENDIX 1

Comparison of Fares

A comparison of fares to the Isles of Bute and Mull is shown in the table below:

Island	Route	RET Passenger Fare	Pre-RET Passenger Fare	RET Car Fare	Pre-RET Car Fare
Bute	Wemyss Bay-Rothesay	£3.05	£4.00	£10.95	£15.95
Bute	Colintraive-Rhubodach	£1.15	£1.45	£5.75	£7.60
Mull	Oban-Craignure	£3.45	£4.55	£13.00	£33.00
Mull	Lochaline-Fishnish	£2.35	£3.30	£6.90	£14.45
Mull	Fionnphort-Iona	£1.70	£3.65	£6.05	
Mull	Tobermoray-Kilchoan	£2.65	£5.30	£8.40	£27.25