



Proposed transfer of the Gourock – Kilcreggan ferry service

Committee Operations

Date of meeting 24 January 2020

Date of report 16 January 2020

Report by Assistant Chief Executive

1. Object of report

To recommend that the Committee approves future funding arrangements associated with the transfer of responsibility for the Gourock - Kilcreggan ferry service to Transport Scotland.

2. Background

Members are aware that SPT currently subsidises the ferry service between Gourock and Kilcreggan and that, following a community-led campaign, the Scottish Government agreed in principle to assume responsibility for the service, with management of it transferring to Transport Scotland on 1 April 2020.

Discussions on the details of the transfer have taken place between SPT and Transport Scotland over recent months and, at its meeting on 13 December 2019, the Partnership agreed that the final terms for the agreement should be negotiated by the Assistant Chief Executive, with the eventual details put before a further committee for consideration.

3. Outline of proposals

It is intended that Transport Scotland should assume responsibility for the service with effect from 1 April 2020. This will include contract management / procurement, customer relations and all operational matters.

As part of the agreement for transfer of the service, the Scottish Government has stipulated that SPT's existing funding for the delivery of the service should transfer to Transport Scotland on an ongoing basis. The current annual cost of this service to SPT is £334,000 (with yearly inflation adjustments). Because of increasing contract costs, a revised funding arrangement has been negotiated with Transport Scotland. It is proposed that SPT will increase its annual funding contribution of this service to £387,500, with Transport Scotland being responsible for all costs over and above this.

The amount of annual grant received from Transport Scotland will reflect these arrangements and this will continue to be the case throughout the period that the service is contracted and managed by Transport Scotland.

4. Committee action

The Committee is recommended to;

- a) agree that responsibility for the Gourock – Kilcreggan ferry service will transfer to Transport Scotland with effect from 1 April 2020
- b) note that the annual Transport Scotland grant will be reduced by £387,500 to reflect the costs associated with the contracting and managing of the service going forward.

5. Consequences

Policy consequences	<i>In line with Regional Transport Strategy.</i>
Legal consequences	<i>Subject to final agreement of terms with Transport Scotland.</i>
Financial consequences	<i>Scottish Government RTP core funding provided to SPT annually will be reduced in line with ferry service costs in the financial year 2020/21 and thereafter.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>None.</i>



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