

Report to the Cabinet

Meeting to be held on Thursday, 8 September 2022

Report of the Head of Service, Public and Integrated Transport

Part I

Electoral Division affected:
Wyre Rural Central;

Corporate Priorities:
Delivering better services;

Knott End to Fleetwood Ferry

(Appendices 'A' and 'B' refer)

Contact for further information:

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Brief Summary

On 4 April 2018 the Leader of the County Council and the Cabinet Member for Highways and Transport approved the recommendation to secure ferry operations between Fleetwood and Knott End, in partnership with Wyre Council.

A contract was entered into between Wyre Marine Services Ltd ('Wyre Marine'), Wyre Council and Lancashire County Council and a contract was signed on 12 April 2018 for a period of eight years (with a break clause at year four) in order to facilitate the continued running of the ferry service.

The Fleetwood to Knott End Ferry Service links Fleetwood and Knott End which in a normal year attracts over 30,000 passengers. The costs of running the service have increased substantially over the four-year period and, although the ferry service is well-used transport between the two locations, the operator is not in a position to reduce this subsidy to nil, as was the intention under the contract.

In order to continue to operate the service sustainably, an increased contribution will be required from the two authorities.

Recommendation

Cabinet is asked to approve:

- (i) The extension of the duration of the existing subsidy to the Fleetwood to

Knott End Ferry for the four remaining years of the contract.

- (ii) That an additional subsidy of £10,000 per annum is provided by Lancashire County Council to support the continued operation of the Fleetwood to Knott End Ferry service until 2026.
- (iii) The addition of the Knott End to Fleetwood Ferry Service Working Group to the county council's list of appointments to outside bodies and authorise the Director of Corporate Services, in consultation with the Leader of the Council, to approve the county council's representative on the working group until the next county council elections.

Detail

On 4 April 2018 the Leader of the County Council and the Cabinet Member for Highways and Transport approved the recommendation to secure ferry operations between Fleetwood and Knott End, in partnership with Wyre Council.

A contract was entered into between Wyre Marine Services Ltd ('Wyre Marine'), Wyre Council and Lancashire County Council on the terms set out in the procurement exercise, which was undertaken pursuant to the Public Contracts Regulations 2015.

A contract was signed on 12 April 2018 for a period of eight years (with a break clause at year four) in order to facilitate the continued running of the ferry service. Wyre Marine has successfully operated the service since that time.

Under the contract there is no obligation on either Wyre Council or the county council to continue payment for the service after year four unless the two parties agree in writing for a continuation of the service and payments.

A meeting was convened between Wyre Marine, and county council and Wyre Council officers on 24 January 2022 and a subsequent meeting took place on 8 March 2022 following submission of details of anticipated running costs and the future subsidy required. It was agreed that both authorities would seek additional contributions through their respective councils.

The Fleetwood to Knott End Ferry Service is a well-used transport service linking Fleetwood and Knott End which in a normal year attracts over 30,000 passengers. The alternative public bus service is not direct, the journey takes around one hour longer each way and requires a change at Poulton-le-Fylde. The equivalent car journey is 12 miles. It should also be noted that during the COVID-19 pandemic, the service was considerably reduced, affecting passenger numbers and therefore viability during this period.

According to the operator, and from information reviewed by Wyre Council and county council officers, the costs of running the service have increased substantially over the four-year period and Wyre Marine is not in a position to reduce this subsidy to nil, as was the intention under the contract.



Appendix 'A' sets out the cost projection for operating the Knott End to Fleetwood Ferry for 2022 whilst Appendix B sets out passenger figures for the Knott End to Fleetwood Ferry from 2018/19 to 2021/22, together with details of the current fares and hours of operation.

In order to continue to operate the service sustainably an increased contribution will be required from the two authorities. Wyre Marine figures indicate that a loss of approximately £34,000 is forecast to occur annually going forward. It is proposed that this budget gap is borne in roughly equal thirds via both an increased subsidy element met by the two councils and an increase in the fares charged.

It is proposed that Lancashire County Council increases its subsidy to the running of the ferry by £10,000 to £52,103 annually with Wyre Council matching this increased contribution. The remainder of the budget gap (approximately £14,000) will be met from increased income generated by the service and fares will be increased accordingly by the operator. Should a surplus be achieved then a review of the subsidy will commence. Should costs continue to increase, financial accounts for the service will be presented to the Ferry Service Working Group for further consideration.

It is proposed that the Ferry Service Working Group meets quarterly to review the performance of the ferry service with management and financial information provided to the councils in order to track progress. The Ferry Service Working Group shall be made up of one Member and at least one officer from each Council with one representative of the ferry operator.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Failure to continue to support the operation of the Fleetwood to Knott End Ferry will likely result in the service being withdrawn. There is no alternative direct bus service from Knott End to Fleetwood, the services requiring a change at Poulton-le-Fylde.

Risk management

Financial

The additional £10,000 funding required will come from current Public and Integrated Transport service budgets.

Legal

Wyre Council Legal Services will prepare an agreement for signing by the three parties to increase the contribution from financial year 2022/23. Amendments to



allow an agreed change to the running of the ferry will be included in the event of loss of key ferry staff.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

