



## Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Mark Billington, Corporate Director Environment	Cllr Alice Collinson, Planning Policy and Economic Development Portfolio Holder	14 April 2022

### Fleetwood to Knott End Ferry Service Continuation

#### 1. Purpose of report

- 1.1 To seek approval to extend the duration and increase the council's contribution to the ferry service by an additional £10,000 per annum.

#### 2. Outcomes

- 2.1 The continuation of the Fleetwood to Knott End ferry service.
- 2.2 A strong local economy and a cleaner, greener, more sustainable environment.

#### 3. Recommendations

- 3.1 To extend the duration of the existing subsidy to the Fleetwood to Knott End Ferry for the four remaining years of the contract.
- 3.2 That an additional subsidy of £20,000 is provided to Wyre Marine Services Ltd, split equally between Wyre Council and Lancashire County Council (LCC) to allow the continued operation of the Fleetwood to Knott End Ferry service.

#### 4. Background

- 4.1 On 29 March 2018 the Service Director People and Places submitted a report seeking the Planning and Economic Development Portfolio Holder's approval to enter into a contract for the running of the Fleetwood to Knott End Ferry Service.

- 4.2** The Planning and Economic Development Portfolio Holder agreed that a contract be entered into between Wyre Marine Services Ltd ('Wyre Marine'), Wyre Council and Lancashire County Council on the terms of the procurement exercise undertaken under the Official Journal of the European Union (OJEU) regulations.
- 4.3** 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 have successfully operated the service since that time.
- 4.4** Under the contract there is no obligation on either Wyre Council or LCC to continue payment for the service after year four unless the two parties agree in writing for a continuation of the service and payments.
- 4.5** A meeting was convened between Wyre Marine, LCC and Wyre officers on 24 January 2022 and a subsequent meeting took place on 8 March 2022 following submission of anticipated running costs and the future subsidy required (see Appendix A). It was agreed that both authorities would seek additional contributions through their respective Portfolio Holder and Cabinet member.

## **5. Key issues and proposals**

- 5.1** 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 (see Appendix B). The alternative public bus service journey takes around one hour longer each way. The equivalent car journey is 12 miles and has a much higher carbon footprint, circa 20 additional tonnes for the equivalent passenger numbers. It should be noted that during the Covid-19 pandemic, the service was considerably reduced, affecting passenger numbers.
- 5.2** According to the operator, the costs of running the service have increased significantly over the four year period and they are not in a position to reduce this subsidy to nil, as was the intention under the contract. Discussions between the Corporate Director Resources (and S.151 Officer) and the Corporate Director Environment during the budget setting process earlier in the year identified concerns around the feasibility of the ferry being able to run at a nil subsidy. The decision was taken to provide for the existing subsidy level to continue for another four years in the current medium term financial plan. The additional subsidy of £10,000 on top of the £43,103 already budgeted is not included in the Medium Term Financial Plan (MTFP) and would be an increased use of general balances of £40,000 over the next four years.
- 5.3** 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.

- 5.4** It is proposed that Wyre Council increase its subsidy to the running of the ferry by £10,000 to £52,103 annually with LCC 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.
- 5.5** It is proposed that the Ferry Board meet annually to review the running of the ferry service with quarterly management information provided to the councils in order to track progress.

**6. Delegated functions**

- 6.1** The matters referred to in this report are considered under the following executive function delegated to the Planning and Economic Development Portfolio Holder (as set out in Part 3 of the council’s constitution): “To exercise any powers in relation to the operation of the Fleetwood/Knott End Ferry Service.”

<b>Financial and legal implications</b>	
Finance	<p>The contribution to the Fleetwood to Knott End Ferry payable to Wyre Marine Services was originally agreed at £84,205 per annum for the first four years of the contract with LCC and Wyre splitting the cost 50/50. It was intended that the service would reach a nil subsidy during the contract extension period but this is no-longer achievable. The MTFP includes a net provision of £42,103 to subsidise the ferry for another four years. It is proposed that the budget for contributing to the ferry service operation is increased to £104,205 with a receipt from LCC of £52,103, leaving a net subsidy of £52,103. This £10,000 increased cost to Wyre will be funded from General Balances. Should a surplus be achieved then a review of the subsidy will commence.</p> <p>All other ferry budget items will remain the same.</p>
Legal	<p>Legal Services will prepare an agreement for signing by the three parties to increase the contribution from financial year 2022. Amendments to allow an agreed change to the running of the ferry will be included on the event of loss of key ferry staff.</p>

### Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with an x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	✓
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

### Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
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List of background papers:		
name of document	date	where available for inspection
None		

### List of appendices

Appendix A: Ferry Running Costs  
Appendix B: Ferry Passenger Numbers

## Appendix A – Ferry Running Costs

2022 Projection		
		Comments
<b>Total Fees and Charges Projection</b>	£ 80,000	Passengers and launches
<b>Contributons</b>	£ 84,205	LCC and Wyre Council current subsidy
<b>Total Income</b>	£ 164,205	
Deductions		
<b>Wages</b>	£ 104,000	Based on 4 staff. £2,000 weekly bill.
<b>Office Support</b>	£ 19,500	£375 per week
<b>Fuel</b>	£ 18,500	Fuel increasing, estimated at 0.80p. 2 weekly refuel.
<b>Rates</b>	£ 890	
<b>Water</b>	£ 460	
<b>electric</b>	£ 2,000	
<b>Insurance Dock</b>	£ 103	
<b>Insurance Vessel</b>	£ 8,000	
<b>Mca Survey Cost</b>	£ 800	
<b>Certificates</b>	£ 1,800	
<b>Parts</b>	£ 9,500	
<b>Lubricants</b>	£ 1,400	
<b>Miscellaneous</b>	£ 1,000	
<b>Dredging (campaign 1)</b>	£ 16,000	Large campaign. Wyre Sands excavation and water injection.
<b>Dredging (campaign 2)</b>	£ 4,000	Maintenance campaign x 2. £2,000 per day.
<b>Cleaning Supplies</b>	£ 350	
<b>Office</b>	£ 200	
<b>Engineer</b>	£ 2,200	
<b>Uniforms/PPE</b>	£ 100	
<b>Paint</b>	£ 280	
<b>Welding</b>	£ 375	
<b>Lift out</b>	£ 4,800	6 lifts per year.
<b>Drydock</b>	£ 1,500	
<b>Defibulator</b>	£ 130	
<b>Wifi</b>	£ 360	
<b>Total Expenditure</b>	£ 198,248	
<b>Total Loss</b>	-£ 34,043	

## **APPENDIX B: Ferry Passenger Numbers**

### Summary:

Year	Passengers
2018-19	38,006
2019-20	29,880
2020-21	9,575*
2021-22	30,613

\* Crew furloughed April, May, June and 6 November 2020 – 31 March 2021

### Detailed breakdown:

<b>2018-19</b>	Passenger	Baby	Bike	Dog
April	2,024	77	112	50
May	5,925	548	365	79
June	4,881	194	343	74
July	6,433	455	418	165
August	6,082	801	407	163
September	3,764	183	259	101
October	3,111	156	153	71
November	1,348	42	73	22
December	813	20	16	24
January	775	24	22	16
February	1,617	72	81	30
March	1,233	64	72	6
	38,006	2,636	2,321	801

<b>2019-20</b>	Passenger	Baby	Bike	Dog
April	4,664	225	334	160
May	3,381	145	237	104
June	3,299	191	269	84
July	4,991	355	227	76
August	4,839	573	258	99
September	2,819	94	150	35
October	2,626	120	102	45
November	1,057	54	50	21
December	927	84	25	14
January	205	29	7	0
February	425	21	5	12
March	647	30	26	10
	29,880	1,921	1,690	660

<b>2020-21</b>	<b>Passenger</b>	<b>Baby</b>	<b>Bike</b>	<b>Dog</b>
April	0	0	0	0
May	0	0	0	0
June	0	0	0	0
July	467	53	31	12
August	4,084	347	275	115
September	3,550	156	356	128
October	1,387	54	102	62
November	87	5	15	0
December	0	0	0	0
January	0	0	0	0
February	0	0	0	0
March	0	0	0	0
	9,575	615	779	317

<b>2021-22</b>	<b>Passenger</b>	<b>Baby</b>	<b>Bike</b>	<b>Dog</b>
April	1,059	183	126	40
May	3,111	300	305	86
June	3,849	243	263	117
July	4,575	384	380	85
August	8,229	444	431	229
September	4,329	136	286	92
October	2,422	85	153	65
November	741	27	56	7
December	530	28	20	8
January	647	26	22	21
February	0	0	0	0
March	1,121	103	41	22
	30,613	1,959	2,083	772