



Notes of evidence

Name of meeting	POLICY COMMISSION FOR BUSINESS AND INFRASTRUCTURE
Date and time	WEDNESDAY, 23 JULY 2008 AT 6.00 PM
Venue	COMMITTEE ROOM 1, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Commission	Cllrs Jonathan Fitzgerald-Bond (Commissioner), Charles Hancock, John Hobart, Peter Humber and Ian Ward
Officers Present	Jonathan Baker – Committee Officer Ashley Curzon – Acting Head of Regeneration Stuart Love – Director of Environment and Neighbourhood Services Paul Thistlewood – Principal Overview and Scrutiny Officer
Stakeholders	Nathan FitzPatrick - Chairman of the Isle of Wight Youth Council Sian Hendy, Paul Magee - Former Isle of Wight Youth Council Members Chris Smy – Youth Empowerment Worker
Apologies	Cllrs Henry Adams and Roger Mazillius

1. **Notes of Evidence**

The notes of evidence from the previous meeting on the [11 June 2008](#) were agreed.

2. **Declarations of Interest**

There were no Declarations of Interest received.

3. **Cross Solent Travel Costs**

Evidence from Representatives of the Isle of Wight Youth Council

- 3.1 The Chairman of the Isle of Wight Youth Council (IWYC) reported to the Commission that the IWYC Members were largely elected on the basis that ferry fares for Island Students would be a key area to address.
- 3.2 The Isle of Wight Youth Council had approached the three Isle of Wight cross Solent operators, Red Funnel, Wightlink and Hovertravel regarding special rates for students.
- 3.3 The approach related to negotiating reduced off peak fares for students and was not connected the Isle of Wight Member of Parliament's campaign to request the Office of Fair Trading to investigate ferry services to the Island.

- 3.4 Of the three operators approached only one, Red Funnel, had replied and an initial meeting was set up. There had been no reply from Hovertravel and whilst Wightlink had acknowledged the approach, no further feedback had been received.
- 3.5 The IWYC had suggested to the General Manager of Red Funnel that in light of the limited financial resources of most students, a cheaper, off peak rate specifically for Students should be introduced. This would help fill empty seats that would be available on such crossings, enabling the company to gain revenue that they would otherwise not have had.
- 3.6 Former Members of the IWYC reported that its Members had been asked by Red Funnel to conduct some market research to substantiate their request.
- 3.7 A survey was undertaken by members of the Youth Council which provided the following information :-
- 61 males (44%) and 70 females (56%) responded comprising 29 x 16 year olds; 77 x 17 year olds; 17 x 18 year olds and 14 x 19 year olds.
 - 63% travelled once a month or less; 37% travelled more than once a month and 10% travelled once a week or more.
 - 62% visited friends and family; 66% for shopping purposes with an even spread of other categories with music events being the largest of these at 28.5%.
 - 73% of the travel was at weekends with 59% after 9.00am.
 - 92% would travel more if the cost was reduced.
 - 38% considered a realistic figure to be £5 with 40% between £5 and £10.
- 3.8 All this information had been forwarded to the Commercial Manager of Red Funnel. It had originally been anticipated by the Youth Council that the Company would make an announcement in the spring of 2008 but this had not been forthcoming.
- 3.9 The Youth Council believed that many students were missing out on a number of important leisure activities and cultural experiences due to the expense of crossing the Solent
- 3.10 The IWYC also expressed concern with regards to students attending University. With no such facility on the Island, travelling across the Solent was a major financial obstacle and could in some cases prevent students from accessing higher education.
- 3.11 Whilst the companies did offer sponsorship to a range of teams engaged in sporting activities on the mainland individuals who were exceptionally talented and who required access to coaching facilities on the mainland were not able to receive reduced rates.

- 3.12 A Former member of the Isle of Wight Youth Council stated that he recently attended a Youth Council residential event in Reading, but due to the large percentage of budget that went on travelling expenses; this limited the ability to go to such events. Such future networking opportunities could be missed due to the high ferry fares. There was a need for Council budgets to adequately reflect the costs of attending mainland events.
- 3.13 A similar problem could also be experienced with the Island hosting an event with mainland attendees being put off due to the ferry costs.
- 3.14 It was acknowledged that students were in some ways worse off than pensioners because they received no income to support their travel expenses.
- 3.15 Members of the Commission believed that there were discounted fares for Island students who attended higher education on the mainland at places such as Brockenhurst College in Hampshire.
- 3.16 The IWYC did recognise that books of tickets were available but these could be cost prohibitive and many students just wanted to be able to access cheaper ferries fares without having to enter into a contractual arrangement.
- 3.17 It was accepted that the Student Rider Card, introduced by the Isle of Wight Council to provide a flat fare for all bus and Island train journeys, could not be extended to include ferry journeys. The Card could be used however for identification purposes if special fares were made available by any of the cross Solent operators.
- 3.18 The IWYC indicated that it would be helpful in progressing its case, if the Council could lend its support. They were not requesting a subsidised rate at the expense of other passengers and only wanted to capitalise on the empty seats aboard the ferries during off peak times.

The Commission thanked the representatives of the IW Youth Council for providing evidence and agreed that it would advise the cross Solent operators of its support for the work being undertaken to achieve lower fares for students.

Ferry Subsidies Update

3.19 The Acting Head of Regeneration reported a range of facts and figures relating to the ferry company, Caledonian MacBrayne (Calmac) that operated in the Scottish Western Isles.

3.20 The company was government subsidised and details of its operation compared with that of Wightlink was as follows :

- 26 Routes in operation – Wightlink had 3
- 29 Vessels - Wightlink had 12

- 5.3m Passengers - Wightlink 5.5m
- 1.1m Cars - Wightlink 1.2m
- 94,000 Commercial vehicles - Wightlink 250,00 freight and commercial
- 770 Sea going staff and 390 shore based staff - Wightlink total staff of 556

3.23 In 1964 the British Government financed the commissioning of three ferries to service the outer Scottish Islands. In 1969 the Scottish Transport Group was formed that included Calmac and from 1990 the Secretary of State for Scotland took full ownership resulting in Scottish Ministers being the only shareholder.

3.24 In April 2008 the EU launched an investigation into subsidies to judge whether they were a fair competition for the provision of ferry services in line with EU State Aid rules.

3.25 In 2005/06, the subsidy was £31.1m with a gross turnover of £83.5m. All routes were subsidised and losses ranged from £165,000 to £4.5m.

3.26 The subsidies had continued, due to the opinions of Scottish Ministers that a sufficient level of service was required in order to maintain the social and economic conditions within the Islands.

3.27 The following examples of ferry fares for Calmac were given to Members:

- Stornoway to Ullapool (£4.5 m subsidy)

Journey time - 2 hours 45 mins

Cost of Return Fare for Car and 4 passengers - £172.40

Service a day each way - 2

- Claonaig to Lochranza (£165k subsidy)

Journey time - 30 mins

Cost of Return Fare for Car and 4 passengers - £80.40

Service a day each way – 8

4.

Multi Story Car Parks – Update

The Lead member for this enquiry, Cllr Hancock, gave a short briefing on the latest position:-

4.1 Out of the three major multi car parking manufacturers approached only 1 had returned with figures

4.2 The economic climate had resulted in a slowdown in consumer spending with a 45% reduction in the uptake of the Isle of Wight Resident Permit Scheme and a 5% reduction in the Pensioners Permit Scheme.

- 4.3 There were now 104 types of vehicle that were classed as environmentally friendly and therefore exempt from paying the Council's parking charges.
- 4.4 More people were taking advantage of the Concessionary Bus Fare scheme leading to less usage of private vehicles.
- 4.5 It was still recognised that there was a need to address the problem of Commuter Parking within the port towns of Cowes and Ryde.

It was therefore noted that the investigation may have to focus more on developing "Park and Ride" schemes further.

The Meeting closed at 7.15pm

Chairman.....Date.....

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