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**ARGYLL & BUTE COUNCIL****AUDIT COMMITTEE****OPERATIONAL SERVICES****3 JUNE 2005**

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**FERRY SERVICES REVIEW**

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**1. SUMMARY**

At the Audit Committee Meeting on 4 March it was noted that the original timescale for the completion of Ferry Services Review of September 2004, had now slipped to May 2005. The Audit Committee requested that the Chief Executive advise on the reasons for the delay in the Ferry Services review. To this end a report was prepared by the Head of Roads & Amenity Services. The main reason for delay is that the Value for Money Ferry Review was subsequently included in the strategic review of piers and harbours. Full detail is enclosed explaining the reason for slippage.

**2. RECOMMENDATIONS**

The committee is asked to note the contents of the report.

**3. DETAIL**

- 3.1** In April 2004, a paper was submitted to the Strategic Policy Committee outlining the need to review the operation of the Council owned ferry services. At that stage it was considered appropriate that Internal Audit carried out a Value for Money Report on this service
- 3.2** This review was undertaken in April and May 2004. An action plan was prepared. The vast majority of the action dates were either immediate (value vessels, ferry reliability, comment procedures, Disclosure checks, insurance issues) or to be completed by September 2004 (fare recovery levels, repair/maintenance regime). The issue of considering the potential advantages for contracting out elements of the service had an implementation date of February 2005.
- 3.3** In general terms, the vast majority of the actions have been addressed.
- 3.4** Around the same time the Value for Money Review on Ferries was carried out, it was confirmed that a Strategic Review should also be carried out on Piers and Harbours. It was considered appropriate that as there were elements of the ferries review that were strategic in nature then this should be incorporated into the strategic review.

- 3.5** Work has been ongoing on the Piers, Harbours and Ferries Review and due to the workload involved it was not possible to adhere to the timescales stated in the Ferries review. The draft review was completed in November and submitted to the SMT and SMOG for approval to issue the report for consultation. The report was approved at SPC on 5 May, and the document was issued for consultation on 16 May with a return date for responses of 30 June. The responses will be collated and a report shall be taken to the SPC in late summer/early autumn.
- 3.6** It was considered appropriate that the Ferry Services Review should be included in the Strategic Review of Piers and Harbours. Accordingly due to the timescales for the strategic review it was not possible to complete the Ferry Review prior to the Capital Budget Meeting on 17 March 2005.

#### **4. IMPLICATIONS**

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| 5.1 Policy –              | The effect on policy cannot be determined until the conclusion of the Piers, Harbours and Ferries Strategic Review. |
| 5.2 Financial –           | None at present.  |
| 5.3 Personnel –           | None at present.  |
| 5.4 Equal Opportunities – | None.   |
| 5.5 Legal –               | None at present.  |

For further information, please contact Stewart Turner (Tel: 01546 604611).

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