SANDBANKS FERRY SUBMITS REVISED TOLL APPLICATION

The Sandbanks Ferry Company has submitted a revised toll increase proposal to the Planning Inspectorate following last minute feedback from local Councils.

Following the submission of a toll increase application by the Ferry Company in February of this year, a consortium of local Councils – Dorset, BCP and Swanage Town – submitted a counter-proposal in November, to which the Ferry Company is now responding.

While welcoming much of the Consortium's proposal, the Ferry Company believes there are some significant issues which its own revised proposal seeks to amend.

The amended proposal by the Ferry Company maintains the following aspects of the Consortium's proposals:

- The acceptance that the Ferry Company will require a certain level of income over the next 12 years as outlined in the Ferry's original submission in order to purchase a replacement to the current ferry, The Bramble Bush Bay.
- The removal of the annual inflation-linked increase originally proposed by the Ferry Company, in favour of a simpler structure of small fixed annual increases. The Ferry Company agrees that planned annual increases provide greater clarity and transparency for passengers.
- The promotion of environmentally friendly travel by proposing a freezing of pedestrian and cyclist tolls for 12 years. This in line with the Ferry's commitment to help passengers travel in more environmentally friendly ways.

The Ferry Company's revised proposal also looks to address what the Company believes are a number of issues with the Consortium proposal.

In particular, the Consortium's three annual increases over 12 years would see single ticket car tolls jump immediately from the current £4.50 to £5.50 per journey. This could add £10 per week to a daily commuter's journey from 2021, disproportionately impacting those on lower wages who may not be able to take advantage of the bulk ticket discount options already available.

By contrast, the Ferry Company's revised application proposes an initial increase of just 50p for cars in 2021 followed by planned, transparent small annual increases at a more gradual level over the proposed 12 year period, taking 6 years to reach the £5.50 proposed by the Consortium for introduction in 2021.

Furthermore the Ferry Company's revised proposal also reiterates that no class of toll would be increased by 50% or doubled immediately, as some parties have suggested. The maximum chargeable tolls – the amount the Company can apply for under legislation - will be phased in over a twelve year period.

The Consortium's proposal also fails to take into account the revenue reductions seen by the Ferry Company in alternate years due to the bi-annual Bramble Bush Bay refits. The Ferry Company's revised proposal rectifies this omission.

The Ferry Company's revised proposal also seeks to ensure that costs for local residents who regularly travel by car are offered at an increased discount level, taking discounts up to 32% less than single ticket prices, effectively freezing the cost of book tickets (SFTC Passes) for yet another year.

Commenting, Mike Kean, Managing Director of the Sandbanks Chain Ferry, said, "I welcome the constructive, albeit last minute, intervention from these important local Councils into the toll increase application.

"Much of their proposal shows a pragmatic understanding of the way in which the Ferry Company is governed by the Act of Parliament and how it can go about securing the future of the service by putting funds aside annually to replace the Bramble Bush Bay when she retires.

"That is why we have sought to retain the best of these proposals and improve where needed to create an application that we believe can and will work for everyone going forward."

Periodic toll increases are needed to keep pace with rising costs, maintain safety for passengers and to secure the long-term future of the service. Combined with the Director's commitment not to pay any dividends until sufficient funds have been set aside annually in the Ferry Replacement Reserve, this ensures that the Bramble Bush Bay can be replaced when deemed necessary by Naval Architects.

Ends

Notes to editors

The Bournemouth-Swanage Motor Road and Ferry Company, known as the Sandbanks Ferry Company, was established in 1923 to run a chain ferry service between Sandbanks in Poole and Shell Bay in Studland, near Swanage. The Sandbanks Ferry Company has been in the same family ownership since 1983 and is headed up by managing director, Mike Kean. The present ferry, 'Bramble Bush Bay' came into service in January 1994 and is the fourth ferry to operate this service. 'Bramble Bush Bay' is 242 feet in length and has a nominal capacity of 48 cars.

For more information on the Sandbanks Ferry toll increase application, please see: <u>http://www.sandbanksferry.co.uk/toll_application_2020.php</u>

The Sandbanks Ferry Company application for a toll increase was originally submitted to the Secretary of State for Transport in February 2020 and a Public Inquiry into the application was scheduled for 16th November. In the week preceding the opening of the Inquiry, two counter proposals were submitted and as a result, the Inquiry has been adjourned until 5th January 2021 to allow for further consultation on these proposals.

Toll applications must, by virtue of the legislation that governs the operation and management of the ferry, apply only for the maximum level a toll could reach – the Maximum Tolls Chargeable (MTC's) – for each passenger class. This is not the same as a toll increase. Although the current application requests MTC's that are 50% above the current tolls, it is expected to take 12 years from 2021 for tolls to ever reach these MTCs.

If the revised application is approved:

- Pedestrian and bike tolls would stay unchanged at £1 for the next 12 years
- Single use car journeys would initially increase by 50p and thereafter generally at 10p-20p per year
- Pre-purchased books of car tickets would continue to have significant discounts.

| £ for Cars | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> | <u>2026</u> | <u>2027</u> | <u>2028</u> | <u>2029</u> | <u>2030</u> | <u>2031</u> | <u>2032</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cash Toll | 4.50 | 5.00 | 5.10 | 5.20 | 5.30 | 5.40 | 5.60 | 5.80 | 6.00 | 6.25 | 6.50 | 6.75 |
| Book of 10 tickets | 36.00 | 36.00 | 36.72 | 37.44 | 38.16 | 38.88 | 40.32 | 41.76 | 43.20 | 45.00 | 46.80 | 48.60 |
| Book of 50 tickets | 170.00 | 170.00 | 173.40 | 176.80 | 180.20 | 183.60 | 190.40 | 197.20 | 204.00 | 212.50 | 221.00 | 229.50 |

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