

# Bus Consultation

May 2024

## 1. Strategic Context

This consultation is part of a strategic review of the bus service provided by the Department of Infrastructure through Bus Vannin. It is a financially challenging time for Government and the level of subvention received by Bus Vannin is unlikely to increase in the coming years and may even reduce in real terms. It is, therefore, a good time to consider what we as a community want from our bus service in the future, who should pay the cost and how should it be managed.

In common with most rural bus services in the UK, Bus Vannin receives money from central Government to meet its operating costs. Income from passengers accounts for 48% of the cost of operating the service and the other 52% is provided by central Government from people's taxes. This is an operating subvention of around £5.8 million per year. The capital cost of buying the buses and supporting infrastructure is an additional cost, which means the actual tax payer subsidy is around £8 million per year. All routes and services are not equal, some are profitable, but most need some level of subvention.

Over the past decade Bus Vannin benefitted from a substantial capital investment in new buses, making the service one of the best in the UK. The fleet, however, is in continual need of replacement as vehicles age and needs change. If the fleet is not modernised, it becomes less comfortable for passengers, the numbers of mechanical and electric failures increase (driving up maintenance costs and reducing service reliability) and the makeup of the fleet begins to move out of alignment with the needs of the service. In short, year-on-year capital investment in new buses is an important part of running a successful bus service.

With financial pressures on all parts of Government it is right that service provision is periodically reviewed. This is the start of that review process leading to a new Bus Strategy and operating model. The Department of Infrastructure is developing a Transport Strategy and the Bus Strategy is a daughter document to the Transport Strategy.

In short, this consultation is part of the process of determining what Bus Vannin will deliver for the money passengers and tax payers invest in it.

The Department intends to move towards separation of delivery from policy, commissioning and contract management. Bus Vannin will be commissioned to deliver services determined by policy, where a subvention is required because the route/ activity is not commercially sustainable in its own right. For example a bus service to community X may make a loss, but it is socially important and it is Government policy to support it, whereas service Y may be commercially viable and Bus Vannin would be left to manage it. Policy may also be used to set the overall pricing framework.

The advantage of this overall approach is that it will give visibility to where the subvention is spent and allow transparent decision making on that spending. It will, however, take time to transition to the model as the financial and operational data required to do this is not yet readily available.

# Bus Consultation

May 2024

- Is the level of subvention correct?

## 2. Policy Framework

### Commercialisation and Competition

Over the years Bus Vannin has extended its reach and operations into many areas related to buses, coaches and taxis on the Isle of Man. It has been involved in:

- the transfers of patients who may have medical conditions and needs that are beyond the normal requirements of a bus operation and an area with increasing clinical requirements;
- the collection and transfer of people to day care centres and dialysis;
- the provision of a school bus service to and from school;
- the provision of buses and mini buses during the school day, including a minibus service;
- the provision of a home to destination *on demand* service; and
- competing with coach and taxi companies to service cruise ships and other private hire events.

In some cases, there are strong synergies with Bus Vannin's core operations that enable the exploitation of the bus assets to their maximum potential, but in others it may have been a distraction from the core business. The Department does not want to unduly stifle opportunities for commercial businesses.

The Department wants a thriving private transport sector, in which bus, coach and taxi operators can all flourish and support each other. This will allow Bus Vannin to focus on providing an affordable transport option that reduces congestion, reduces environmental harm and improves social outcomes through connecting communities.

- What are your views on the scope of activities that Bus Vannin undertakes?

### Affordable to the passenger

A large number of the services operated by Bus Vannin are not commercially sustainable. The paying passenger is currently contributing 48% of the operating costs across the whole service, excluding the capital investment. Underlying this general description of subsidy is a mix of people and route subsidies.

Some groups of people have historically been given access to concessionary rates of travel or free travel, regardless of their ability to pay. Some routes are less viable than others. Historical models of the ability to pay may no longer hold true; for example comparative data suggests that people aged 18-21 typically earn around half that of people aged over 60.

The Department has a general principle that the user should pay where possible and that support, in the form of concessionary travel rates, should be targeted at those with the least

## Bus Consultation

May 2024

ability to pay. It is appropriate, if only on the grounds of equality, that concessionary and free travel provisions should be reviewed.

- What are your views on affordability to the passenger?

### Connecting Communities

In a semi-rural setting such as the Isle of Man, public transport has an important social role in connecting small communities to towns where facilities, shops, employment and services such as doctor's surgeries are located. This is an important and subsidised service.

Connecting smaller villages to towns can have a positive impact on people's wellbeing and employment opportunities, it can also support the towns' economic wellbeing.

The Department wishes to define as a matter of policy the size and type of settlement that will be served with a bus service to local towns, so that the best value for money can be obtained.

- What are your views on community connectivity?

### Efficient

The Department must reduce the running costs of Bus Vannin, which went over budget last year. By starting to change its focus back to its core business and delivering a service as efficiently as it can, costs can be contained. They cannot be contained if Bus Vannin is asked to deliver an ever wider and more diverse range of services. The Department will seek to work with partners in the public and private sectors to deliver services where appropriate.

This work has already started, below are some examples:-

- The Department is working with a local coach operator to help them service cruise ship visits rather than competing against it
- On Island Patient transfer, where clinical standards are increasing beyond what can be expected from a bus service, are transferring to Manx Care to deliver on behalf of the Department of Health and Social Care
- The Department is working with schools and the Department of Education, Sport and Culture to give them control of travel during the day to swimming pools etc.

As Bus Vannin transitions away from some of this work, resources may become available to undertake other services and in time the structure of the bus fleet will start to change to reflect these new operational requirements.

With a focus on the core purpose, can routes be rationalised or improved and can new routes be introduced to help people choose to travel by bus? Can traffic routes be configured to make bus travel a choice of preference? Can the number of people choosing to travel by bus be increased by making it affordable, fast, frequent and easy?

In addition to potential route changes, bus stops can be rationalised to meet modern standards. This will allow the Department to invest in good quality bus stops that are connected and accessible. In built up areas most people should live within 400-800 metres of a bus stop.

## Bus Consultation

May 2024

- What are your views on the efficiency of the service?

### Equality

The Department wants to commit Bus Vannin to providing a service to the community regardless of physical ability; training will be given to drivers to ensure that customers with mobility limitations are helped to use the bus service where this is possible.

Through its Highways Division, the Department will continue working to introduce modern standards at bus stops in respect of passengers with mobility impairments and for general passenger convenience. It will also seek to set requirements on Bus Vannin for the introduction of technology and mapping that will support accessibility for all users.

As noted above, there are potential equality issues relating to the application of lower or concessionary fares for some groups and not others. This will be reviewed.

- Do you have a view on making the buses more accessible for all?

### Environment

Typically bus transport accounts for less than 5% of emissions compared to 60% by cars, but it can help significantly by persuading people not to use their cars, reducing emissions and congestion.

In the short term, the Department needs to consider if it is better to put green investment into making the buses zero emissions or invest in other measures at this stage. Given that electrical and hydrogen technologies for buses are not standard and significantly more expensive than fossil fuels, then should the Department invest funding, in what will make a marginal impact on the Island's emissions, at this stage?

The Department is monitoring the bus market and at some point, maybe in 2027/2028, fossil fuel bus production will stop in the UK. It is important that the Department has the required infrastructure ready ahead of that date; for example, the bus depot may need to be moved to a location where the electrical power and space needed to charge buses or hold hydrogen is available. This will require a significant capital investment. The Department remains committed to making the bus fleet zero emissions and the infrastructure needs to be installed to make this possible.

It is the Department's intention to focus initial efforts on developing the bus network to reduce the number of trips undertaken by car, by considering the allocation of road space, improving infrastructure and reviewing the network and frequency to identify opportunities to increase modal shift away from the car. The Department will consider how long term operational and route investment can be utilised to increase passenger numbers within current spending constraints. For example, could improvements be made to increase the number of people who use the bus in and around Douglas?

## Bus Consultation

May 2024

- What are your thoughts on the environmental approach suggested?

### 3. How to Participate

The Department would like to hear your views on the future of bus services on the Isle of Man. To participate in this consultation please see below options:-

1. Online by clicking on the 'Online Survey' link below
2. Submitting your responses in writing by post to:

Bus Consultation,  
Department of Infrastructure,  
Sea Terminal Building,  
Douglas,  
IM1 2RF

If you require an accessible version of this consultation or support reading and responding to it, please leave a message on 639770.

Please ensure that you include the following information so that your answers can be given context.

- Name/ organisation
- Age Range? (16-21, 22-35, 36-59, 60+)
- Are you a bus user? (regular, very occasional, never)
- Describe you home location? (remote, hamlet, village, town, city)
- What is your local authority area?
- Do you have any other comments?

The consultation will close on 30<sup>th</sup> June 2024. Thank you for taking the time to engage.