



DEPARTMENT OF INFRASTRUCTURE

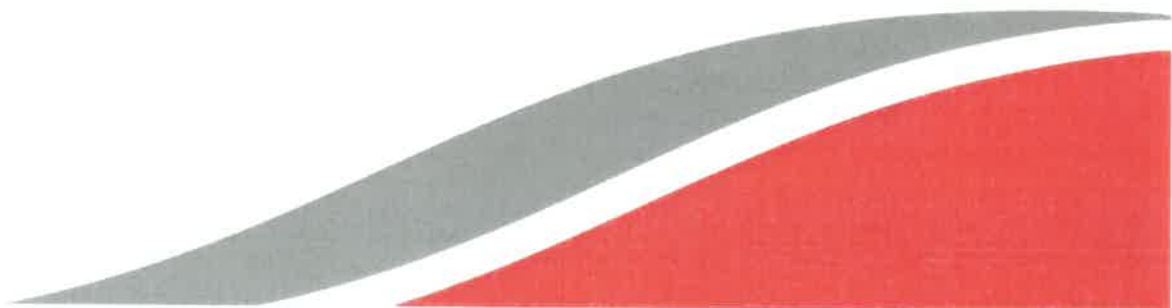
**Review of
£2 BUS FARE CAPPING TRIAL**



**Isle of Man
Government**

Reiltys Ellan Vannin

April 2023



Background

1. In late 2022, in response to the rising cost of living and fuel, the Department of Infrastructure was requested to identify a mechanism by which bus fares could be reduced. A £2 fare cap scheme was agreed and implemented on 1st November 2022, to run originally for three months until 31st January 2023. This was later extended to 31st March 2023.
2. The overall policy objective of the initiative was to reduce transport costs and energy use. It was also hoped that the trial would encourage modal shift from private cars to public transport.

Financial & Social Impact of the Fare Cap: Passenger Numbers

3. Passenger journey analysis is based on ticket data collated and analysed through the ticketing portal and online sales reports. Measuring and, more importantly, comparing ticket data has been a challenge, as recent years have made direct comparison difficult. The last 'normal' trading year was 2019, so this has been used as a benchmark along with the last full operating year of 2021/22.
4. As identified in the Department's Bus Strategy for Transport Connectivity published in August 2021, in general terms those travelling on the Island's bus network are making journeys to meet their social or economic needs, and in many cases there are no viable alternative means to make that trip.
5. During the trial period, fares were reduced to £2 from £2.70, £3.10 and £3.40. The boundaries of the journeys that benefitted the ticket reduction from rural areas to the towns are marked in black on the route maps attached at Appendix 1; ie the route beyond the black line, would normally be a fare in excess of £2. Passengers paying fares of £1.10, £1.30 and £1.90 gained no benefit from the fare cap.
6. An analysis of the passenger figures was undertaken during the trial period up to and including the week ending 12th February 2023.
7. During the period analysed, a total of 150,537 journeys were taken at the maximum fare of £2, representing an average of 10,036 journeys per week. It can safely be assumed that there was a positive financial (and possibly a social), benefit for the passengers who made those journeys.
8. When compared with passenger numbers for the same £2 bus fare routes and weeks in 2019, the number of journeys taken show an average increase of 32%; an increase of 3628 journeys. Comparison of the passenger numbers for these same routes against the same weeks in 2021, show a 36% increase in journeys. It is highly likely that the financial benefit of the ticket reduction will have played a part in this passenger increase.
9. In addition to the £2 fare cap, a separate saving was applied to the already discounted "Go Saver" tickets. The costs of the 1 day and 5 day saver tickets were reduced from £7 to £5, and £19 to £13, respectively. The £2 cost of the plastic card was not incurred for the reduced fare tickets, as they were only available as paper tickets purchased on the bus.

10. The one and five day saver tickets are the most highly used, accounting for approximately 80% of the Go Saver ticket sales, and indicates use by the commuter and the passenger deciding to travel last minute. 1925 one day and 1115 five day "Go Saver" tickets were sold during the trial period analysed, compared with 2127 and 974 respectively in 2019/2020, representing 7500 days travel compared to 6997; a 7% increase. Whilst ticket sales increased on the buses, online sales of Go Saver and Go Places (12 journey cards) fell by 30%, because the discounts were not able to be applied to the online shop. This suggests purchases simply moved from online to on-bus.
11. It would therefore appear that the reduction in the cost of the cards had no significant impact upon the decision to travel by bus beyond those individuals who were already using the Go Saver cards, and did not result in, as had been hoped, modal shift for regular journeys.
12. The biggest passenger increase was seen on the Express commuter bus from Ramsey to Douglas, where daily journeys increased by between 40 and 50 per day. Assuming that individuals were travelling both ways, this represented an increase of 20 to 25 passengers per day. As a consequence, the single decker bus on one of the express return journeys needed to be replaced with a double decker, but sadly no spare double deckers were available to do this on the corresponding morning journey.
13. Whilst being slightly more costly to run, the biggest impact of the replacement double decker was that in windy conditions the route must be diverted from the mountain to the coast road. This has an obvious impact upon journey time, and the appeal of the express service, which is the service closest to the private car in terms of journey time.
14. **Total passenger numbers for the period analysed show very little change when compared with 2019 passenger figures.** This is illustrated at Appendix 2.

Financial & Social Impact of the Fare Cap: Passenger Survey

15. An online survey was conducted during the trial, which was automatically uploaded when passengers logged onto the on-board wifi. A total of 11,929 surveys were completed.
16. The findings of the survey supports the evidence that the bus price cap in itself has had very little impact upon modal shift. At the start of the trial, 70% of respondents reported that bus travel was their usual method of transport prior to the fare cap; 60% of respondents were regular travellers, with only 14% of respondents having rarely or never travelled on the bus. The discount influenced the decision to travel by bus for 42% of those passengers who would normally have used another method of transport.
17. There seems to be only a little difference in the passenger data on a month by month basis, since the start of the trial. Analysis of the survey data for February indicates that bus travel was the usual method of transport prior to the fare cap for 62% of passengers, whilst 49% were regular travellers.

18. Summary pie charts for the survey results can be found in Appendix 3.

Trial Funding

19. The trial continued through to 31st March 2023 and revenue losses averaged £50,000 – £55,000 per month; an estimated £250,000 – £275,000 for the duration of the trial.

Evaluation

20. The £2 fare cap has clearly benefitted those travelling longer distances i.e. 'out of town', where the number of journeys taken has increased by over a third. Sales of the Go Saver tickets and the on-bus survey results confirm that the fare reduction has not increased patronage by convincing residents of a beneficial saving against their usual travel methods. Indeed, the data suggests that the journey increase is the result of regular bus users making more journeys. If that is the case, it would suggest a social benefit to those making the additional journeys.
21. In the Isle of Man, the private car is the most widely used mode of transport on a daily basis, used by over 60% of respondents to the Isle of Man Social attitudes surveys 2017, 2018 and 2019. Bus travel may be the chosen mode of transport by some people for some or all journeys, but for others where there is no ownership nor access to a private car, it is the only available way to travel between destinations. Whilst bus travel may be a conscious preference for some, there will be many cases where it is down to affordability or inability to drive. There could be an argument, therefore, that the fare cap had a positive economic impact upon those members of the population in the lower socio-economic groups, although there is no evidence, only supposition, to support such a statement.
22. It is interesting to note that a UK report on Awareness and Effect of £2 bus fare, published by Transportfocus in February 2023, identified that more frequent bus users and those younger have increased their use of buses due to the £2 cap. That report also identified that the increase in use due to the £2 cap is higher amongst those without a car.

Conclusion

23. The trial has proven a useful exercise as part of a complete package offered by Government to reduce costs for the residents of the Isle of Man. It is clear, however, that whilst it has benefitted those who make longer journeys, and enabled regular bus users to take more journeys, it has not resulted in modal shift for regular journeys.
24. The evidence, and the data collected during the process, will help to inform the forthcoming review of Bus Vannin services.

APPENDIX 1

**MAPS IDENTIFYING THE BOUNDARIES OF THE JOURNEYS TO THE MAJOR TOWNS
THAT BENEFIT THE TICKET FARE REDUCTION**



Scale 0 3 miles / 0 5 kilometers
Cartography by Pindar Creative 2015/2016
www.pindarcreative.co.uk

Key

- | | | | |
|--|--------------------------------|---------------------------|-----------------------------|
| 1/1H/2/2A/11/11A | 4 | 16/16A/16B (Schooldays) | Railway / Horse Tram |
| 1A/1H/2A/11A variation between Castletown and Port St Mary | 4 (infrequent) / 4R (seasonal) | 17K/18K | Manx National Heritage site |
| 3 | 5/5A/5J/6/6A | 19C (Schooldays) | Places of interest |
| 3A variation | 5C/6C variation | 20/20A (Schooldays) | Tourist information |
| X3 variation | 5J variation | 29 (Schooldays) | Airport |
| | 6 variation | Served by ConnectVILLAGES | Ferry port |
| | 13 | | Seacat port |
| | 14 (Schooldays) | | |



Key

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DOUGLAS



Point of Ayre

Point of Ayre Visitor Centre



Cartography by André Delavault 2010-22
www.plundercreative.co.uk

Key

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|--|--------------------------------|---------------------------|-----------------------------|
| 1/1H/2/2A/11/11A | 4 | 16/16A/16B (Schooldays) | Railway / Horse Tram |
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| | 13 | | Seacat port |
| | 14 (Schooldays) | | |

CASTLETOWN



Cartography by Philip Creative © 2005-22
www.phidarccreative.co.uk

Key

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|--|--------------------------------|---------------------------|-----------------------------|
| 1/1H/2/2A/11/11A | 4 | 16/16A/16B (Schooldays) | Railway / Horse Tram |
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PORT ST MARY & PORT ERIN

Point of Ayr

Point of Ayr Visitor Centre



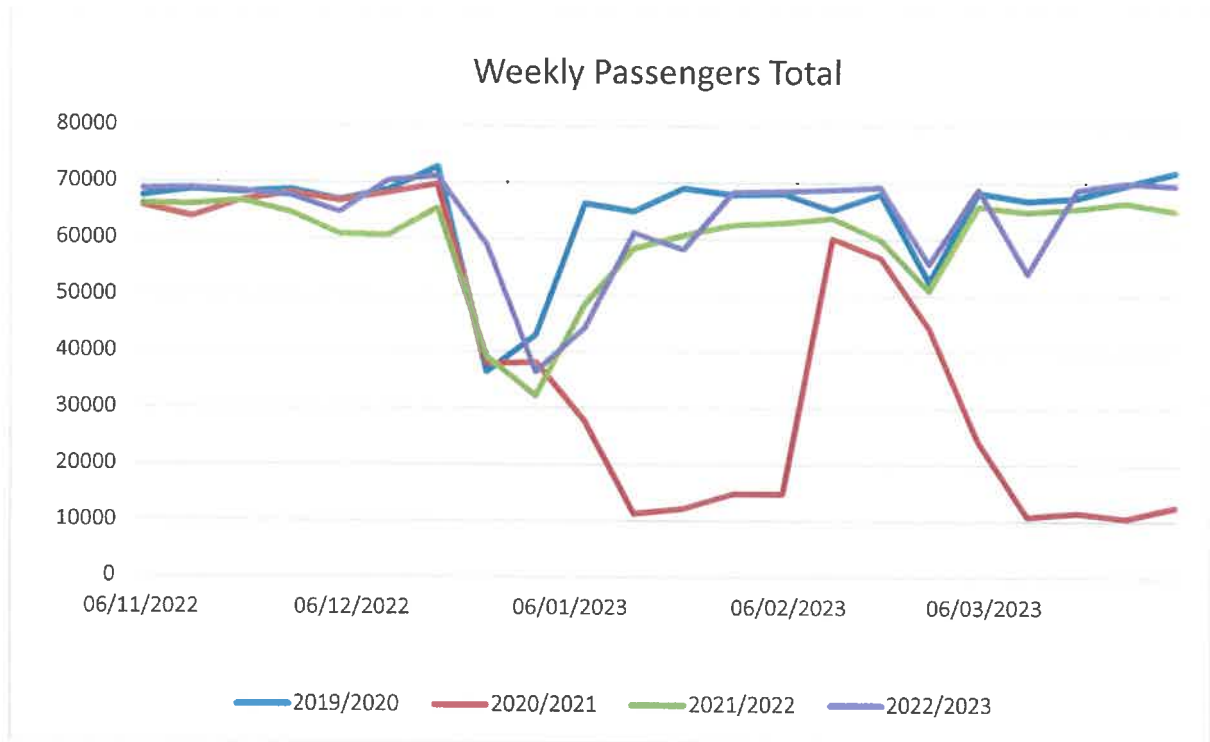
Cartography by Pindar Creative 2015/22
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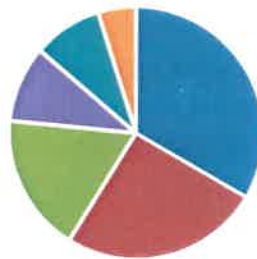
APPENDIX 2



APPENDIX 3

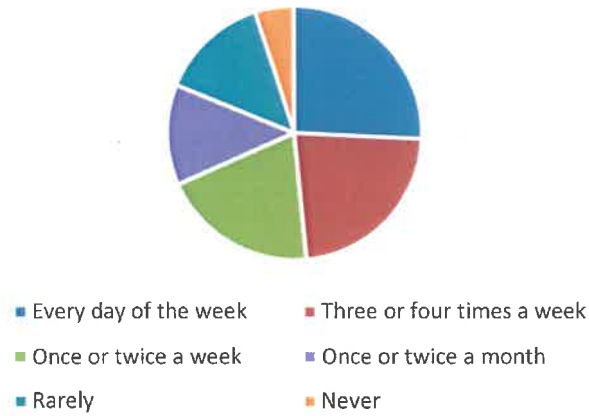
ON-BUS PASSENGER SURVEY RESULTS

Frequency of travel via BV prior to capping
November 2022

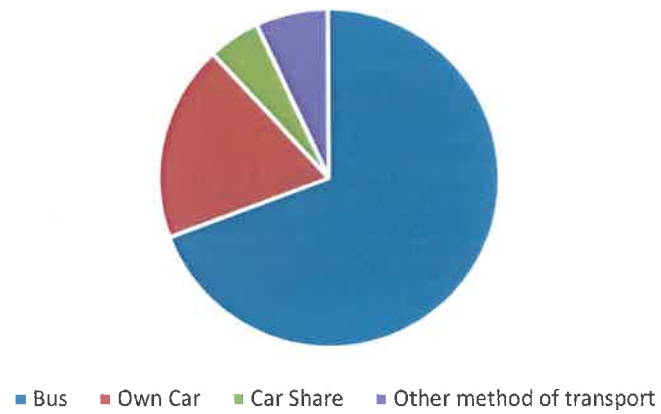


- Every day of the week
- Three or four times a week
- Once or twice a week
- Rarely
- Once or twice a month
- Never

Frequency of travel via BV prior to capping February 2023



Usual method of transport prior to fare capping November 2022



Usual method of transport prior to fare capping February 2023

