



**Isle of Man
Government**

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RESPONSE TO THE CONSULTATION ON FERRY SERVICES

**DEPARTMENT OF INFRASTRUCTURE
PORTS DIVISION**

February 2016

Part 1 – Introduction

The key links between the Isle of Man and its neighbours have been by sea for centuries and there is every reason to believe that this will be the case for many years to come. The island needs a reliable and efficient ferry service if our economy is to continue to prosper and our society is to flourish.

The Isle of Man Government is preparing to review the current arrangements for ferry travel. A public consultation took place to seek the opinions and priorities of the public and to help us better understand what may be needed in the future.

The current ferry arrangements are driven by the Linkspan User Agreement, which gives preferential access to the Department of Infrastructure's (the Department's) linkspan in return for service and price guarantees. This agreement runs out in 2020 but can be extended until 2026 by either the Department or the current provider, the Isle of Man Steam Packet Company Ltd.

The Department has tested the market to see if there might be interest from suitable ferry operators if our ferry service were to be put out to open tender. It was clear that there was likely to be enough interest for a competitive procurement exercise if the Department were to tender the Isle of Man ferry services in the future. Competitive tendering could secure the best value arrangement for the future.

As the current User Agreement could run until 2026, the Department's options now are to:

- 1) Do nothing until going to the market in 2022 so that any new potential operator of the service after 2026 can prepare to take over as soon as the User Agreement expires;
- 2) Agree to a request from the Isle of Man Steam Packet Company Ltd to end the current User Agreement early and then go to the market - of course, the Company would have to accept the risk that it may not succeed in the procurement process;
- 3) Invite the Isle of Man Steam Packet Company Ltd to make a new proposal that is clearly in the best interests of the Isle of Man. Tynwald would need to be persuaded that the benefits of any new agreement offered outweighed the benefits that could be gained from competitive tendering.

Part 2 – The Consultation Exercise

The consultation exercise commenced on 28 September and closed on 9 November 2015. A copy of the consultation document is attached.

The questionnaire was designed to seek public opinion and priorities for the current ferry service as well as also asking the general public to identify any aspects of future ferry services that might be important, not only from their own point of view but also from the point of view of the Island's overall economy. The questions were designed to apply to both leisure and commercial passengers, both on and off the Island.

The questionnaire was drawn up by the Ports Division and access to the consultation document was either on-line or by hard copy, which was available directly on request to the Ports Division.

The Department issued a press release; there was considerable media coverage of the opportunity to contribute to the consultation exercise.

Part 3 – The Responses

Key points from the questionnaire responses are as follows:

Basic data

Total number of responses: 1,247

The number of resident responses: 1,053 (84.4%)

Number of off island responses: 194 (15.6%)

50.2% (626) of respondents had travelled fewer than six times over the previous 12 months.

44.1% (550) of respondents had travelled more than six times in the previous 12 months.

5.7% (71) respondents had not travelled at all in the previous 12 months.

63 (5.1%) of respondents used the ferry service primarily for business purposes, and 1,184 (94.9%) used the ferry service primarily for private and/or leisure purposes.

Around 85% of responses were anonymous or from respondents who specifically asked for their names not to be published as part of this report.

Business responses

Of the responses for business use:-

1. The three top business uses for travel was consultancy (17.5%), freight/hauliers (20.5%) and 'other' uses (36.5%).
2. In terms of frequency, 40% of responses came from businesses that use the ferry service once a month, 33% use the service more than once a month and around 16% use the ferry service daily.
3. Over 50% of respondents use Heysham as their primary destination in England, and 33% use Liverpool.
4. Of the 63 business responses, almost half do not use the ferry service to Ireland. Of those businesses that use this service, half expressed no preference between the Belfast or Dublin sailings. Of the remainder, 28% expressed a preference for Belfast and 19% expressed a preference for Dublin.
5. Of the list of most important factors, the three most important factors in order of majority of response were:
 1. Reliability of service
 2. Cheaper fares
 3. Good punctuality

General responses (both leisure and business)

Of the 1,247 total responses:-

1. 323 (25.9%) were foot passengers, 909 (72.9%) were vehicle passengers/drivers; the remainder (15) were 'neither (Business user)'.
2. Over the previous 12 months, the three most important considerations to respondents in order of majority of response were:
 1. Price
 2. Reliability
 3. Frequency of service
3. Over the last 12 months, destinations most travelled to in England were:-
 1. Liverpool (40%)
 2. Heysham (30%)
 3. Equally Liverpool and Heysham (24%)
 4. Neither (6%)
4. Over the last 12 months, destinations most travelled to in Ireland were:-
 1. Belfast (8%)
 2. Dublin (4%)
 3. Equally Belfast and Dublin (3%)
 4. Neither (83%)
 5. No answer (2%)
5. In terms of travel time 63% (788) expressed a preference to depart Liverpool in the morning, around 15% (182) expressed no preference of travel time and 155 (just over 12%) selected 'afternoon' as their preferred time of departure from Liverpool.
6. Very similar results to Point 5 above were received regarding departure times from Heysham, with the preference being a morning departure.
7. Of the total number of responses (1247), 832 (67%) expressed no preference in departure time from Ireland (Belfast or Dublin). Around 26% expressed a preference to depart in the morning.
8. Results received regarding preference of departure times from the Isle of Man were:

1. Evening departure	411 (33%)
2. Afternoon departure	339 (27%)
3. Morning departure	294 (24%)
4. No preference	200 (16%)
5. Gave no answer	3 (0%)

Future ferry services – personal considerations

Questions 14 to 19 inclusive asked the respondent what factors in the provision of a future ferry service they would consider important to them.

1. The three most important considerations in order of majority of response are:-
 1. Reliability of service
 2. Price
 3. Frequency of service
2. During the winter season, 56% (699) of respondents would find it unacceptable to have only one sailing per day (per 24 hours) to England. 548 (44%) said they would find it acceptable.
3. The top three most important *personal* considerations in terms of a future ferry service, in order of majority response, are:
 1. Reliability of services
 2. Protection of vital routes
 3. Lower fares
4. Other destinations which ferry passengers would want to use (in no order of preference) are:
 1. Scotland/Scottish route
 2. Holyhead
 3. Fleetwood
 4. Whitehaven
 5. Wales/North Wales
5. The single most preferred destination for future ferry travel was Liverpool (811 responses, 65%). Heysham received 30% of responses and 'Other' 5%.
6. 'Other' destination suggestions included:
 1. Belfast
 2. Dublin
 3. Birkenhead

Future ferry services – considerations for the Isle of Man Government

The last few questions in the survey asked respondents to think about what the Isle of Man Government should consider, regarding the future ferry services.

1. From the survey responses the three most important considerations were:-
 1. Reliability of service
 2. Protection of vital routes
 3. Price

2. In answer to the question "Do you believe that the Department of Infrastructure (DOI) should accept a new proposal from the current ferry operating company before the end of the current agreement if the proposal is clearly in the best interests of the Isle of Man?", 65% (816) of respondents said "yes".
3. When asked "Do you believe that the DOI should go to tender for future ferry services in time for a potential new provider to start at the end of the current contract if a proposal from the current provider is not accepted in the meantime?", 85% (1059) of respondents said "yes".
4. The responses to the question "Do you think Government should consider buying the company that provides ferry services?", the following responses were received:-

1. No	395 (32%)
2. Yes (majority share)	347 (28%)
3. Yes (wholly own)	296 (24%)
4. Yes (minority share)	115 (9%)
5. Other (unspecified)	89 (7%)
6. No answer given	5 (0%)
5. Where "other" was given in the previous answer, the following ideas and comments were put forward (in no order of preference):-
 1. Buy the vessels
 2. There should be two ferry operators
 3. Government should ensure proper regulation so that any future operator is properly and adequately funded
 4. IOM Government should be the majority shareholder and the other shares should be offered to IOM residents
6. When asked "Do you think there should be a further extension to the current User Agreement?" 81% (1015) said no.
7. Of those that said "no" in answer to Point 6 above, the number of years extension suggested were:-
 1. 20 years (majority answer)
 2. 10 years (second place)
 3. Remainder of suggestions were ranging from 5 – 50 years.

Part 4 – Conclusion

These survey results have provided the Department with interesting feedback and helpful data. From responses received it is clear that the most important factors for customers in the past when using the ferry service have been price, reliability/punctuality and frequency of service. These factors are likely to be the most important consideration for ferry travel in the future. The same trend exists between those who responded off island as those who responded from on island, and between those who wish to remain anonymous and those who are happy to have their name published.

Interestingly, respondents are also in agreement (regardless of whether or not they are on island, or whether or not they remain anonymous) with the key factors Isle of Man Government should

consider in the future: 61% of respondents indicated that Isle of Man Government should consider some form of shareholding in the future ferry operator.

Respondents indicated that the Isle of Man Government should consider a new proposal from the current ferry operator if one is put forward before the end of the current User Agreement. If no new proposal is put forward, 85% of respondents indicated that the Isle of Man Government should go out to tender future ferry services.

Unless the current ferry operator offers to surrender their current User Agreement, or indeed puts forward a proposal that may be considered in the best interests of the Isle of Man, the current operator is likely to continue to 2026. In that case, the Department would plan to tender future ferry service in 2022.

The Department of Infrastructure would like to thank everyone who responded to this consultation.

This report will be published on the Department of Infrastructure's website from 25 February 2016.

List of Respondents

Please see list of respondents at Appendix A which excludes those who did not wish their name to be published.

List of Respondents

APPENDIX A

Listed below are the names of those who responded and did not wish to remain anonymous. (*Names have been listed as sent on the response*)

Brett Canning	Richard Moor	Peter Last
Debbie Taylor	Member of IOM Chamber of Commerce	Charles Miller
Gary Boal	Charlotte Hutchinson	Victor Miller
Barry Kennedy	Brian Quayle	Pam Kerruish
John Lewis	Chamber of Commerce member company	Gilli Cowley
Frances Tinkler	Nicki Hagen	Tim Horton
Kirsty Bashforth	Denver Lawrence Brown	Mrs A Tawney
Stuart Christian	David McGarry	David Moss
Mr G Allen	Mrs Trevelyan	John Welsh
Steve Burrows	Arun Mahalingam	Glynis Johnson
Terry Holmes	John McBride	Gordon Moore
Jason Cromwell	Gillian Harvey	Cowley
Tim Norton	Neill Angus	Colin Campbell
J R Kermode	Ian Hargreaves	Mr Stephen Costain
John Wright	Lynn Newsham	Mr O.S.Bird
Stephen Moore	Capt. Kurt Buchholz	Debbie Faragher
Robert Huxley	Allen Corlett	Hannah Shimmin
Paul Clark	Emma Cullington	Karren Reid
Mark Gilmartin	Stephen Spencer	John Maddrell
Alexandra Pressly	Shaun Gelling	Jessica Hutchesson
Mark Chase	Maurice Gotrel	Mandy Harvey
Mike Dunn	John Kermode	James Hampton
Juan Kelly	John Harris	Garry Reid
Paul Woods	Glynis Duff	Euan Campbell-Ross
Andrew Moore	Mr David Kenneth Kyme	Annette Quane
Richard Freestone	Robert Williamson	Alan Comish
Rosalie Scott	Andy Morgan	Kenneth Diack
Michael Brunt	Capt J S McKenzie B.Sc (naut), Ph.D.	Julie Barrett
Peter van Toor	Mr & Mrs D Stevenson	Len Harvey
Simon Glynn-Riley	Karl Parker	Richard T. Haight
Andrew Johnson		David Pye
D P Fellows		Nicola Clarke
Scott McLaren		Keith Willis

Michael Haynes
Richard Butler CMILT
Mr M Davidson
Walter Gilbey
Peter Denton
Bill Mummery
David Brew
Miss Helen Jones
Michael Brew
Carl Gough
Miles Benham
Peter Brown
J Willis
Member
Roger Atherton
Maurice E Mawdsley
Angus MacDonald
Rev Philip Brew
Bryan Sweeney
David Stewart
Dawn Sim
Danielle Riseley
Carol Dunford
Dr Clare Singleton
David Costain
Steve Pickett

Geoff Farrant
Donald McMahon
John Corrin
Simon Patterson
Vera Walker
Iain Bell
Dean Martin
Richard Cowell
Ian Quayle
Mrs Alison Tarpey
Dr Alexander Norori-McCormac
Michael R Coleman
MR W Henry Gawne
Glen and Lesley Fraser
Edward Williams
Mrs M J Williamson
John Williamson
Hugh Bethune
DL Bairstow
John Quayle
Philippa Hull
Brian Leece
William Creer
Brian & Catherine Head
Rich
Norman Blake

Robert W Stimpson
Peter Giles (former island resident)
Mike Meadowcroft
Kathi Butler
Carl Bretherton
Christopher Weeks
James Burton
Dale Errock
Ian Cook
Fiona Anderson
Greig Davison
Mr M J Kewley
Ryan Cain
Sharon Howell
Mark
Dirk McHarrie
Lee Dixon
Noel Farrell
Dan Hurst
Jonathon Davis
Mr Brockett
David Russell
William J N Burden
Christy Whitton