

**REPLY BY THE PRESIDENT OF THE COMMITTEE FOR THE  
ENVIRONMENT & INFRASTRUCTURE  
TO QUESTIONS ASKED PURSUANT TO RULE 14 OF THE  
RULES OF PROCEDURE BY DEPUTY NEIL INDER**

**Question 1**

What are the figures for the revenue generated and the full costs to run the service, to date.

**Answer**

Revenue generation from the P2 service during its first year of operation (covering the period 16<sup>th</sup> November 2015 up until 29<sup>th</sup> November 2016) amounted to £3,021. Of this sum £2,000 related to single passenger journey tickets sold at £1 each, £1,012 from 'Pay As You Go' (PAYG) customers paying 55p per journey and the remaining £9 from passengers using family journey tickets.

The cost of the P2 service (and its predecessor the P1) was incorporated as part of the overall bus route network when the new contract with CT Plus began in April 2015. The actual cost of operating the P2 service is not therefore accounted for separately.

In order to provide an estimate of the actual cost of operating an individual service it is firstly necessary to ascertain the percentage of overall contract resources required to operate a service. The income generated from the route can then be deducted from this sum. The overall annual contract cost for 2015 was £4,294,000. Income across the network was £935,000. Given that the P2 service represents approximately 3.24% of the total network provision it's percentage of the annual contract cost would be £139,125. Deduction of £3,021 fare income leaves a total annual subsidy figure for the P2 service of £136,104.

The above estimate takes no account of the fact that the Sprinter vehicle used to operate this service uses only half of the fuel of a Dennis Dart (standard bus) and also costs slightly less to maintain. Given that daily mileage on the P2 route is currently circa 127 miles the indicative subsidy figure could be reduced to around £125,000 per annum. This compares to the overall subsidy paid in 2015 of £3,359,000 for all 19 scheduled bus routes plus the 40 additional daily school services operated during school term.

**Question 2**

Could the Committee please inform me of the factors considered when deciding the viability of the service; cost alone, or cost and community service?

**Answer**

First and foremost, almost all municipal bus operations in the western world operate with some form of subsidy.

To many people the bus service is an essential lifeline enabling them to get to and from work, to attend important appointments or just to integrate into society,

whether they have mobility issues, are unable to drive on medical grounds or simply can't afford a car or to use a taxi for regular journeys.

The bus service also provides a cost effective travel option for commuters, tourists and people attending the Island on business. Additionally, it also provides a significant proportion of the schools bus services operated daily during term time.

Overall, the bus service saves on some 1.6m additional car journeys that would otherwise have to be undertaken each year, many during the commuter peak.

In respect of the P2, the aim was to introduce a community orientated service providing connections to various community based facilities; including nursing and residential homes, the Hospital, Doctor's surgeries, shops, post offices and parish Churches. The service is not commuter orientated and therefore attracts a different mix of passengers. More than half of the 7,930 passengers carried up until 29<sup>th</sup> November 2016 were concessionary fares (the average across all other routes being less than 25%). These include pensioners, students and children under the age of 5. Allowing for seasonal adjustments, numbers are continuing to increase month on month as the route gradually becomes more established.

However, the Committee *for the Environment & Infrastructure* is acutely aware that significant further growth on the route is required if it is going to remain in the longer term. To this end, it has recently been decided to amend the route slightly so as to now incorporate the Town Terminus on the PEH leg of the route with effect from 5<sup>th</sup> December 2016. A further review of the service will be undertaken early in the New Year. If by that stage carryings on the P2 are such they are not deemed to be making a sufficient contribution to the aims of the Transport Strategy the Committee will, as previously indicated, discontinue the service.

The overall bus route network, timetable and fares are based on the outcomes of various States debates on the provision of public and integrated school bus services, most recently as outlined as part of the On-Island Integrated Transport Strategy debated in 2014 and the P2 service is an important part of this Strategy.

Bus passenger numbers in 2016 look set to exceed 1.6m passengers for only the second time in 20 years. Provided that passengers numbers continue to rise on the P2 service this community orientated route will continue to be part of the overall package of services being provided under the scheduled bus contract.

**Date of Receipt of the Question:** 17<sup>th</sup> November 2016

**Date of Reply:** 8<sup>th</sup> December 2016