

# STATES OF JERSEY



## PROPOSED GOVERNMENT PLAN 2024- 2027 (P.72/2023): NINTH AMENDMENT

### SUBSIDISED ANNUAL BUS PASSES

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Lodged au Greffe on 21st November 2023  
by Deputy R.J. Ward of St. Helier Central

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STATES GREFFE

PROPOSED GOVERNMENT PLAN 2024-2027 (P.72/2023): NINTH  
AMENDMENT

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**1 PAGE 3, PARAGRAPH (1) –**

After the words “Appendix 3 to the Report” insert the words –

“, except that, on page 91, after the words “previously agreed increases in fuel duty.” should be inserted the words “£1,000,000 of the funding allocated from the Climate Emergency fund to the 2022-2025 Carbon Neutral Roadmap budget will be moved from the TR1 Policy subsidising electric vehicles and e-bikes to finance a trial scheme to subsidise Avanchicard Annual Unlimited bus passes, by

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- (i) covering £295 of the total cost of £495 per annual bus pass; and
- (ii) offering these subsidised bus passes to the public in tranches of 1,000;

such trial to commence on 1st January 2024 and to be reviewed after 6 months to assess the extent of uptake”.

DEPUTY R.J. WARD OF ST. HELIER CENTRAL

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law, should they be needed, subject to the limits outlined in that article;

- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31 December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;
- (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report, except that, on Page 91, after the words “previously agreed increases in fuel duty.” should be inserted the words “£1,000,000 of the funding allocated from the Climate Emergency fund to the 2022-2025 Carbon Neutral Roadmap budget will be moved from the TR1 Policy subsidising electric vehicles and e-bikes to finance a trial scheme to subsidise Avanchicard Annual Unlimited bus passes, by –
  - (i) covering £295 of the total cost of £495 per annual bus pass; and
  - (ii) offering these subsidised bus passes to the public in tranches of 1,000;
 such trial to commence on 1st January 2024 and to be reviewed after 6 months to assess the extent of uptake”.

## REPORT

### Summary

This amendment addresses the process of redirecting monies from the subsidy of electric cars to a wider audience of public transport users in Jersey.

A key factor in reducing road traffic is an increase in the use of Jersey's bus service as the go-to means of transport for most commuters and those traveling in Jersey. Travelling around St Helier, or short journeys around the island, this move to bus travel is particularly important.

### Background

There currently exists a yearly bus pass that costs £495, so the infrastructure to administer and issue these passes is in place. I am unable to state how many passes exist due to a lack of information from the department (see [WQ 411/2023](#)).

This subsidy will not affect the income of the bus company as they will still receive the same amount of money for the yearly pass. It may, however, promote bus usage. Increasing the number of people using the service and the frequency of routes should be part of any Key Performance Indicator for any bus contract. Supporting wider use of the service can assist in this area.

There is indirect evidence of the success of providing subsidies for passes in the popularity of the Avanchi 18 pass, which currently stands at 5954 in circulation ([WQ 436/2023](#)). The phased approach of 1000 passes at a time means an effective allocation of funds to demand.

### Conclusion

The subsidy in this amendment would reduce the cost of a yearly pass to £200, or 54p per day. This is an attractive offer and could encourage many more people to buy and use this pass.

The amendment suggests tranches of 1000 passes. The mechanism by which this could be managed has been left to the discretion of the Minister or the bus company, however, I would suggest a first come basis. Should this be successful further tranches of passes could be sold with this Amendment budgeting for 3000 passes in total.

There are a number of benefits to this scheme:

1. Encouraging the frequent use of buses with a yearly pass will move people out of cars and onto buses, reducing traffic congestion;
2. Fewer cars encourage walking and cycling and if this scheme is successful, in conjunction with a wider and more frequent service from any new bus provider, money put aside for active travel in the [Carbon Neutral Roadmap](#) can be used more effectively;
3. The bus fleet already uses biofuels which are less polluting in terms of particulates in the air so any increase in usage and commensurate decrease in cars would improve air quality;

4. Encouraging and incentivising public transport as go-to means of travel, so increasing usage, leads to an appetite for increased investment in buses in the future;
5. This scheme, in combination with the already existing Avanchi 18 scheme, enables families to change the way they travel, giving them access low-cost transport across Jersey. This may be particularly important if edge of town parks are developed as suggested by the constable of St Helier;
6. Even if people only use the pass once or twice a week, this still has an impact on the number of car journeys undertaken;
7. The annual pass would cover the town hopper, which could increase its use. The current fare structure for the hopper service is an obstacle for frequent use for those without some form of prep pay pass that includes this fare;
8. People are more likely to use the bus for short journeys, leaving the car at home and thus reducing traffic and time spent searching for a parking space;
9. This scheme will provide guaranteed income for any bus provider and certainty of travel patterns due to the ability to track usage with a pass of this type;
10. The opportunities for people to stay in town after work, or travel into town in the evening, are increased with this scheme so they can shop or socialise with friends without having to worry about driving or parking, potentially benefiting the night-time economy of St Helier and beyond.

#### **Financial and staffing implications**

The pass will cost £295,000 per thousand passes so re-allocating £1,000,000 from the EV car subsidy into this scheme funds 3000 passes. Funds remain in the EV allocation so a comparison of the effectiveness of the two schemes on traffic levels can be made.

Each 1000 passes would raise £495,000 for the bus provider. This can help with planning for services and extension of the routes provided due to certainty of income.

I note that should this scheme be successful and produced effective change in habits, it remains an option for government to increase funding should they wish.

## Appendix

Here are some examples of other schemes used to subsidise travel and some research into impact. This is an interesting context for change.

### **France**

*Article L.3261-2 of the French Labour Code* requires employers to cover part of the cost of season tickets subscribed by their employees for travel on public transportation systems between their habitual residence and place of work, regardless of where they may live.

[Employers must pay for 50% of the cost of their employees' travel tickets, even if they live far from where they work - Lexology](#)

Example of an employer providing subsidised/free public transport for employees:

### **University of Exeter**

The University has partnered with Stagecoach to offer staff working at the Streatham and St Luke's Campuses discounted travel passes.

There is a free minibus service from Exeter St David's railway station to Streatham Campus for staff and students. The minibus service also includes the St Luke's campus and Veysey building at certain time of the day.

- For staff in Cornwall, First Bus operates a number of frequent service bus routes linking major towns in Cornwall. Staff are able to receive subsidised bus transport with First Bus using a zoning system. A discounted travel pass to travel at any time within Cornwall is also available.

[Travel | Benefits, rewards and recognition | University of Exeter](#), accessed 13/10/2023

### **Impact**

A suite of activities were associated with the University of Exeter's Sustainable Travel Plan 2016-2020 including:

- Encouraging cycling
- Supporting car sharing
- Subsidised bus services

“Patronage on both the University-subsidised D bus service and the University-funded shuttle bus from St David's Railway Station to our Exeter campuses continues to grow year-on-year for both staff and student passenger journeys.”

[Staff and Student Travel - Sustainability - University of Exeter](#) (from Annual report 2016/17), accessed 17/10/2023

“Overall, the university's GHG emissions from travel have reduced by 48% since the 2018/19 baseline.”

[2021\\_22\\_Year\\_End\\_Report.pdf \(exeter.ac.uk\)](#), p. 8, accessed 17/10/2023

[Employer subsidized public transit pass: Assessing disparities in access, use, and latent demand](#)

**Abstract**

In 1999, the U.S. *Transportation Equity Act* enabled employer subsidized public transit passes to be tax free benefits to employees and tax deductible to employers. Public transit agencies can use these to increase ridership, revenue or efficiency. Assessing disparities in access, use and willingness to use the incentive can help improve the policy's effectiveness and help promote equitable access to its benefits.

The analysis uses employed respondents from a travel survey in Atlanta, Georgia (2001–2002, n = 3430) categorized based on whether they were offered a subsidized transit pass by their employer, whether they used it or not, and whether they would be likely to use the pass if it was available to them. Socio-demographic characteristics, the presence of other incentives and built environment around home and work were compared across groups, and three logistic regressions were used to estimate parameters for each of the following questions: What socio-demographic and employer location characteristics are associated with working for an employer offering subsidized transit passes? What are the factors associated with using a pass if the incentive is offered? Finally, for those who were not offered a transit pass, what factors are associated with being likely to use a transit pass?

Results suggest an undersupply of employer subsidized public transit passes for lower income workers, who were however more likely to report being likely to use a subsidized pass when not receiving one. Interestingly, however, lower income individuals with access to a transit pass were less likely to use it than their wealthier counterparts. Employment in sales and services, a workplace with limited nearby destinations and low quality transit service between home and work may further exacerbate disparities in use of subsidized transit pass. Promoting transit pass programs to employers in sales and services, and other lower income jobs and coordinating transit service improvements in locations where these employers concentrate may increase subsidized transit pass program effectiveness and distributional benefits. The work also suggests that socioeconomic disparities exist not only in infrastructure development and congestion charging, but also in policies used to influence mode shifts to public transit.

*Case Studies on Transport Policy*, vol. 6, issue 3, September 2018, pages 353-363, accessed