

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE FINANCE AND ECONOMICS
COMMITTEE ON TUESDAY 15th JULY 2003, BY SENATOR E.P. VIBERT**

Question

Would the President inform the Assembly –

- (a) whether the previous Finance and Economics Committee checked and approved the financial arrangements of the contract between Connex and the States of Jersey for the 7 year contract to provide the Island with a bus service, and, if so, explain the basis on which the estimated revenue from bus income for the first year of operation was obtained? and,
- (b) of the identified total anticipated loss over the next seven years and the source of funding of this loss, should the need arise?

Answer

- (a) The States, in supporting P.104/2001 entitled 'Bus Strategy', agreed that competitive bids should be sought for the operation of the Island's bus service. This proposition was in the name of the then Public Services Committee and the subsequent tendering process was constructed and undertaken by that Committee, in accordance with the approved proposition. Neither the Treasury nor the Finance and Economics Committee were involved in the structure of the contract or the tendering process.

The Finance and Economics Committee, as previously constituted, met with the then Public Services Committee and representatives of the Bus Strategy Steering Group on 12th March 2002. At that meeting, the Committee was advised as to the tender process and progress to date, and the estimated level of public subsidy required, based on bids submitted. At that point, the tendering process had not been completed but had been reduced to three shortlisted tenderers, each requiring different but substantial levels of subsidy.

The Committee agreed, in principle, to the estimated level of subsidy funding as provided by the then Public Services Committee for the first year of operation, and ratified this decision by a telephone meeting of the Committee on 15th March 2002.

The estimated income from fares was provided to the Finance and Economics Committee by the Public Services Committee, based on the best information available to that Committee.

- (b) Although it is far too early to identify with any precision the anticipated shortfall over the next seven years, the Finance and Economics Committee is working closely with the Environment and Public Services Committee to identify the scale of the funding requirement. Should additional funding be required, this will be considered by the two Committees at the relevant time, and it is not possible to predict at this stage the magnitude or the source of such funding.