

**COMMITTEE OF INQUIRY: JERSEY MOTOR TRANSPORT COMPANY (1987) LIMITED (P.72/2001) -
REPORT**

**Presented to the States on 15th May 2001
by the Public Services Committee**



STATES OF JERSEY

STATES GREFFE

180

2001

P.72 Rpt.

Price code: A

REPORT

Introduction

The Public Services Committee agrees that greater scrutiny of public expenditure on public transport services is necessary, however, it does not believe, at this juncture, that it is necessary or warranted to appoint a Committee of Inquiry to investigate and report on the issue.

Use of public funds

In 1999 and 2000, the following amounts were expended on the provision of public transport services -

	<i>Item</i>	<i>1999</i> £	<i>2000</i> £
(1)	Senior Citizens and Health Insurance exemption free travel	446,426	467,175
(2)	School bus travel	1,151,448	1,369,189
(3)	Reimbursement of impôt duty on fuel	106,005	112,529

Funds in respect of (1) and (2) above were paid by Public Services to Jerseybus or the appropriate associated company upon presentation of invoices for providing the services. In respect of (1), the service was providing free bus travel to those who presented the appropriate pass when entering the bus. The vast majority of the school bus travel expenditure in (2) is in respect of dedicated school buses provided to carry school students to each of the Island's secondary schools and certain primary schools. Any student presenting a pass or pre-paid voucher was entitled to travel on the bus. The costs incurred were payments due on tenders submitted against specifications for routes.

Rebate on fuel duty in (3) reimburses impôt duty that Jerseybus has paid for the fuel used on scheduled bus services. It is not reimbursed for any fuel used on the school bus service or for any coach services provided by Jerseybus or its associated companies. Rebate on fuel duty for scheduled bus services is not unique to Jersey. It is normal that bus companies receive a similar rebate on fuel used on scheduled bus services in the United Kingdom.

Scrutiny

The amounts paid to Jerseybus are a matter of public record. The Committee rejected the tenders submitted for a three-year contract to operate the school bus service because the rates were considered to be too high. Instead, the Committee operates a term by term contract based on previous terms and conditions. This has been offering better value for money.

While the Committee believes that more rigorous means of monitoring the use of, and expenditure on, both Senior Citizen and HIE travel should be pursued, there is no reason to believe that there is any significant abuse of the current system. The Audit Committee intends to review the management process of this aspect of the Committee's budget this year. This should identify any shortcomings in the current procedures and recommend any improvements that might be made.

Service level agreements

The Public Services Committee believes that the development of service level agreements for the Island's bus services is a priority if local bus services are to be improved and to ensure transparency and accountability in the expenditure of any public funds used to subsidise bus travel. The Committee also believes that bus services should be subject to competitive tender.

While a great deal of effort has been expended in the past year trying to develop, unsuccessfully to date, a voluntary service level agreement with Jerseybus, much has been learned. It is, of course, the case that current legislation does not accommodate service level agreements for road service licences. In fact, significant changes will be required to the Motor Traffic (Jersey) Law 1935 to permit any innovations such as service level agreements, competitive tendering, direct subsidies, etc. The Committee intends pursuing these changes and developing generic service level agreements for bus services provided in the Island.

Summary

In general terms, it is not Jerseybus that is subsidised, it is those Islanders who are provided with free or reduced cost bus travel. The costs of providing these benefits are public knowledge, and the school bus service is based on submitted tenders.

Service level agreements are being developed and will be introduced when the necessary changes are made to legislation. Transparency on the use and benefits arising from any public funding will be included in the agreements.

The Committee will continue to strive to provide, more widely, facts and figures on these services.

The aims of Proposition 72/2001 will not lead to improved bus services, therefore the request to appoint a Committee of Inquiry should be rejected.