

# STATES OF JERSEY



## **GOVERNMENT PLAN 2021-2024 (P.130/2020): NINTH AMENDMENT (P.130/2020 AMD.(9)) - COMMENTS**

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**Presented to the States on 14th December 2020  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

### **The Council of Ministers opposes this proposal and urges States members to reject the Amendment.**

If adopted, paragraph (i) of the Government Plan proposition (P.130) would read as follows –

to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2021 as set out in Appendix 2 – Summary Table 9 to the Report, with the remaining balance from the Fund to be made available for use by the Minister for Infrastructure to provide for the establishment from 1st April 2021 of a bus pass scheme for all people eligible to pay fares under the age of 21 (for which a charge of £20 per annum should be levied on the individual), with the overall cost of, take-up of, and customer satisfaction with the scheme to be subsequently reviewed by the Minister and the outcome of the review to be published by the end of the third quarter of 2021

In effect, the Deputy is repeating his recent attempt (2<sup>nd</sup> amendment to P.128.2019 – Sustainable Transport Policy) to bring about a heavily discounted travel pass for young persons. The States Assembly did not adopt that amendment.

This amendment affects both the school bus network, where despite buoyant passenger demand the gross cost of operation is already significantly above the fare revenue, and the regular public network on which significant numbers of young people travel. It is not known how many journeys on the latter network relate to passengers under the age of 21, as a proportion of them are in not in full time education and therefore paying a full adult bus fare.

The Deputy's amendment fails to acknowledge the effects of induced demand. By making fares artificially cheap, it follows that passenger demand will rise but it is not possible to state what this increase would be, either in the short-term or the long-term. On many services, the capacity for growth does not exist, so to prevent overcrowding this has to be accommodated by deploying additional resources in the form of more buses and bus drivers. Where services operate on an hourly frequency, additional capacity means doubling the resources allocated, for no additional revenue.

Therefore the total financial implications of the proposals, both in terms of fare revenue foregone by the bus operator and additional operational costs, are unknown. While it was previously estimated that the revenue foregone associated with introducing free fares for young people in full time education could be in the order of £700,000 in its first year, this assumed no change in passenger demand (and therefore no additional resources required) which would be unrealistic. A less conservative estimate would put the annual cost at over £1.5m.

The £20 cost of a travel pass is unlikely to be a barrier to uptake but would do little to offset the increased net cost of supporting the public transport network. Funding a cost increase of £700,000 from the balance of the Climate Emergency Fund for 2021, may not be the optimal intervention for reducing the Island's Carbon footprint resulting in an opportunity cost. If this funding route is to be used, any decision such as this should be deferred until the results of the rapid transport studies are complete.

Furthermore, with a developing portfolio of carbon reduction measures, this route of funding is unlikely to be sustainable going forward, particularly as costs are likely to increase given the number of unknowns, and thus other options may need to be considered, as previously presented to the States for P.52.2019, such as:

- an increase in bus fares to remaining passengers (in essence, adults aged 21 to 65) of 18p per journey
- a 10% cut in the number of bus journeys operated, or
- a 10p per unit increase in public car park charges.

In addition other difficulties may well arise, as experienced in London when fares for young people were abolished a few years ago:

- Free facilities tend to become abused or not valued
- This can lead to increased vandalism or repair costs
- If antisocial behaviour results, this can discourage some users and push them back to car usage
- A greater risk of overcrowding means there is an increased possibility of buses being unable to clear a queue of passengers

Finally, without having completed the Carbon Neutral Strategy consultation work, it is not known whether this would be seen as acceptable by the general public or whether this initiative would be the best use of the resources available. There will also be an opportunity cost that may have provided a better Carbon return if the money spent on this initiative could support a far better long-term carbon reduction by investing in other schemes. Examples of such schemes already in the process of being implemented /delivered include Esplanade bus gate, Jardins de la Mer Cycleway, Hill St and FB Fields Cycleways, on-street bike pumps and washes, additional covered cycle stands, Railway Walk Mont Marquet Crossing and Safer Routes to School etc. Progress and details can be found in [2020 Active Travel Update](#) and [November 2020 Sustainable Transport Police Status Update](#).

The 2019 Sustainable Transport Policy includes a Bus Service Development Plan as one of four rapid analysis plans that the States Assembly has agreed should be completed and brought back for debate. The Covid 19 outbreak has delayed progress, with focus being diverted instead to support and maintain the bus service while passenger numbers and therefore revenues are depressed, but it is expected that work will resume at pace in 2021.

The Bus Service Development Plan will undertake a systematic and whole-system analysis of the options, opportunities and challenges associated with making changes to:

- the optimum distribution, design and frequency of routes, including existing routes;
- infrastructure, including where improvements could make it quicker and more convenient to get the bus;
- the size and types of vehicle used
- allocation of space, including for priority bus lanes, junctions and bus stops;
- the ticketing and fare structure, concessions and the government subsidy;
- the school bus network and service; and

- the long-term investment plan for the bus fleet, acknowledging the move to ultra-low emissions technologies.

The Plan will be based on detailed quantitative modelling, and qualitative analysis, of where, when and why people want to travel.

Alongside this, IHE continues to deliver infrastructure enhancements supporting the bus service, including the continued rollout of waiting shelters at existing bus stops, creation of new safe waiting areas and footways/crossing points serving them, plus the maintenance of passenger information systems helping to ensure that up-to-the-minute bus times are easily accessible.

### **Conclusions**

The increased net cost of operation is not budgeted for.

### **Statement under Standing Order 37A [Presentation of comment relating to a proposition]**

These comments were submitted to the States Greffe after the noon deadline as set out in Standing Order 37A due to final due diligence and checking taking place.