

# STATES OF JERSEY

## COMMITTEE OF INQUIRY INTO TENDER PROCESS AND AWARD OF BUS SERVICE CONTRACT

BLAMPIED ROOM, STATES BUILDING

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Committee: Mr Huw Shephard (President)

Mr Trevor Garrett (Member)

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In attendance Mr Mac Spence (Committee Clerk)

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### EVIDENCE FROM:

**MR ROBIN HACQUOIL**  
(Former President, Public Services Committee)

Recalled at his request

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on

Tuesday, 26th April 2005

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*Reviewed 06/05/05 Committee Clerk*

MR SHEPHEARD: Ladies and gentlemen, good afternoon. This final session of oral hearings of the

Bus Inquiry is now in session and, before we proceed to receive evidence from Mr Robin Hacquoil, there is an opportunity now for the media, if they wish, to ask any questions of me at this stage. I will allow this to run for not more than five minutes, I think. **(Pause)** Well, as there seems to be no interest in that, I will not allow it to run any longer than this and we will proceed.

**(A member of the media requested permission to take a photograph)**

MR SHEPHEARD: Once we have begun receiving evidence, then no, but we will be starting fairly shortly. If you want to take some photographs, please do so now. We are one Committee Member short, although we are quorate.

**(Pause while photograph taken)**

MR McRANDLE: Chairman, can I just quickly ask, where are we in the process? Any idea what the timescale is?

MR SHEPHEARD: Mr McRandle, the position at the moment is this. We have heard virtually all the evidence that we are going to take orally. We are hearing evidence from Mr Hacquoil and from Deputy Hilton this afternoon and then we hibernate and produce a draft report some time during May. If the draft contains anything that is critical of anyone, then the relevant part of the draft will be sent to the person being criticised so that they can make submissions in respect of it and then we will consider what the final text of the report is. That will hopefully be ready to be presented to the States in early June, but there will be some fairly tight time limits for people to respond to the points that we would be making.

MR McRANDLE: Thank you very much, appreciated.

MR SHEPHEARD: Thank you.

MEMBER OF THE MEDIA: That is fine. Can I take both your names as well?

MR SHEPHEARD: Yes. I am Huw Shepheard. I am President of the Committee. With me is Mr Trevor Garrett. **(Pause)** Mr Hacquoil, again, as before, the Committee is receiving evidence on oath, so I will proceed to re-administer the oath to you.

**Mr Hacquoil was sworn**

MR SHEPHEARD: Thank you, Mr Hacquoil. Now, I understand that you have asked to come back before the Committee this afternoon to give further evidence in relation to the agreement that

was reached or the undertaking that was given by the Public Services Committee to the Transport and General Workers' Union in August 2001; is that right?

MR HACQUOIL: Yes. There are a number of things that I wanted to cover. I came back to the Island on 6th April, and that was the first opportunity that I had to read any transcripts of evidence given, or some of the evidence given I wasn't here for and I had to rely on the transcripts. So, in that time, the past couple of weeks, I have been wading through them, and it was during that that I was struck by the fact that there was quite a bit of evidence given by various Members of the States in particular who had recollections but didn't seem to have any supporting facts, so there was, I thought, quite a bit of speculation and in fact not very good memory of actually the way the things occurred. So I wanted to begin with just very briefly going over some salient points leading up to the Bus Strategy and then also the agreement with the Transport and General Workers' Union. After that, having read the transcripts of Senators Shenton and Vibert, I must say I have to dispute some of the claims in both that evidence that I have read through. That is all I propose to put before you, but, if I may, I will do that.

MR SHEPHEARD: Yes, please proceed.

MR HACQUOIL: I was struck to begin with in reviewing this. I thought it would be useful to remind the Committee or perhaps draw to your attention for the first time the fact that, even before the Bus Strategy went up for debate or was developed, there was a proposition brought to the States in April 2001 by Deputy Alan Breckon. It asked the States to investigate fully the use made of public funds paid to the Jersey Motor Transport Company Limited, trading as Jersey Bus, and other associated companies in relation to transport services for senior citizens, HIE card holders, school children and rebate on fuel duty.

Now, I use that because I think there has been evidence put to the Committee that conceivably the Public Services Committee and the States decided to go on a Bus Strategy, the Bus Strategy route, without having exhausted the route of a final offer with Jersey Bus. From what I am going to remind you of or put before you, I certainly don't think that was the case at all.

The proposition that Deputy Breckon brought, for example, stated: "*Millions of pounds of*

*public money have been paid to this operator and others for the provision of transport services for certain groups of persons. Most of the subsidy has been spread across the system and has assisted both the operator and the individual to either travel or provide a service.”*

The proposition then further states: *“Furthermore, I believe that to date no current detailed facts and figures are generally available (transparency) with regard to public monies that have been given to the operator for general travel concessions for classified individuals.”* He ends by saying: *“I believe this matter requires greater and fresh scrutiny than it has received to date and that a Committee of Inquiry”,* interestingly enough, *“is the correct way to proceed. I would remind Members of the States of Jersey Law 1966”,* etc.

Now, the other thing I felt in a number of the pieces of evidence put before the Committee was that it was the Public Services Committee alone or largely that decided to go the Bus Strategy route. Well, I would quote from the comments of the Finance and Economics Committee on this proposition of Deputy Breckon’s, and that was that the Committee, headed at the time by Senator Walker, said: *“The Finance and Economics Committee is aware that a significant level of funding is already being applied to reviewing the Island’s transportation needs, including studies involving Jersey Motor Transport Limited. The Committee has serious reservations regarding the benefits likely to accrue from a Committee of Inquiry into the use of public funds. However, the Committee has met the Public Services Committee on a number of occasions and it is satisfied that that Committee is carrying out the work necessary. Consequently, a Committee of Inquiry along the lines proposed would represent an unnecessary duplication of effort and expenditure.”*

Now, Deputy Breckon’s proposition was in fact rejected by the States on May 29th 2001. Just prior to that debate -- I believe I am right on the date -- Jersey Bus had proposed the withdrawal of something like 11 services, routes number 2C, 4, 6, 7A, 7B, 8B, 19, 20, 21, 22 and 88. That was a significant fact in the build up to the Bus Strategy in July.

I will now go on and quote extracts from the Committee meeting -- this is at the end of July -- clearly in the time, I would submit, from the rejection of Deputy Breckon’s proposition through the early summer, when things got worse, not better. I mean, we had a strike at the time,

at least one, and the feeling clearly was, on the part, I would suggest, of many Members of the States and certainly all the senior Committees -- Policy and Resources, F&E and Public Services Committee and the Industries Committee -- that we needed to resolve matters and develop a strategy for providing the Island with a quality bus service.

So there are, on 23rd July, PSC minutes, which indicate that *“The Committee ... received an oral report on the discussions that had taken place that morning and a meeting of the Committee’s designated representatives and the Finance and Economics Committee regarding the progression of the Bus Strategy, and that was P.104/2001. The Committee was advised that the F&E Committee was strongly supportive of P.104/2001, but had warned that no provision had been made in the 2002 cash limits for investment in buses and that any funding would have to be at the expense of other States projects. It was also confirmed that the F&E Committee would not agree to the payment of any subsidy to Jersey Bus unless the appointed consultant was given full access to the parent company’s accounts to enable them to verify the accuracy and transparency of the figures relating to the operation of the school bus service.”*

I want to emphasise that because we have, I feel, in the Committee, from what I have heard and read from the transcripts, an emphasis primarily of course on the tendering exercise and the scheduled bus service, but the PSC always regarded the two, the school bus service, as linked to the scheduled bus service.

I go on: *“The F&E Committee had also been of the opinion that there was no legal bar to the proposal to raise additional revenue for investment in public transport by increasing parking charges, subject to the proposal receiving States approval. The Chief Executive designate undertook to confirm whether or not changes were required to the Public Finances ... Law 1967 as amended. The Committee was further advised that, following the discussions with F&E, it was now proposed to appoint a team of consultants to agree the financial basis for the development of a voluntary service level agreement. This team would include an officer appointed from the States Treasury.*

*“The Committee was informed that it was not possible to debate P.104/2001 on the premise that, if approved, it would also give authority to the PSC to enter into ‘last chance’*

*discussions with Jersey Bus. Therefore, if its final offer was accepted by Jersey Bus, it would have to defer seeking States approval for its bus strategy for the 90 day period set aside for progressing the voluntary SLA.*

*“The Committee, having received a draft of the final offer to be put to Jersey Bus (and to the Transport and General Workers Union and the bus drivers), noted that the term of the SLA had been reduced to five years, in line with the original 4th August 2000 agreement. The Committee endorsed this change and agreed that the new SLA should incorporate both the scheduled and the school bus service.”*

Now, right after that meeting on 23rd July, we had another meeting and we received representatives of Jersey Bus, the Transport and General Workers’ Union and what is referred to as “*the bus drivers*”, the TGWU members or the bus drivers, to discuss its proposals for the future operation of the Island’s scheduled and school bus service. In attendance were Messrs C. Lewis, R. Lewis (that is R. Lewis senior), M. Cotillard, C. Pickering (representing Jersey Bus), the company’s public relations adviser, Mr P. Tabb of Direct Input Limited, Jersey Bus’s legal representative, Mrs W. Benjamin of Bailhache Labesse, and Messrs M. Kavanagh, W. McPhee, J. McCartan and R. Geddes from the T&G and bus drivers.

*“The Committee, having advised the joint delegation that its proposals had been endorsed by the F&E Committee, circulated copies of its final offer to Jersey Bus. It also confirmed that the F&E Committee would require Diamond (Jersey) Limited, Jersey Bus’ parent company, to make available to the appointed team of consultants all financial information relating to Jersey Bus and other associated companies within the Diamond (Jersey) Limited Group, most specifically Tantivy Blue Coach Limited, if this was deemed necessary” -- and I emphasise these words, because I think they qualify that entire sentence -- “if this was deemed necessary to determine an appropriate level of subsidy for the operation of the scheduled and school bus services. Jersey Bus sought, and was given, an assurance that any information provided would remain confidential and that any brief given to the appointed consultants would include recognition of a fair rate of return for the bus operator.*

*“Discussions resumed following a short adjournment requested by both Jersey Bus and*

*the TGWU to allow them to consider the terms of the Committee's offer. The Jersey Bus representatives indicated general agreement with the terms of the offer, but were not prepared to give an undertaking that accounts and other information relating to Tantivy Blue Coach would be made available to the independent team of consultants. The [T&G], however, was prepared to give an undertaking not to take any industrial action during the 90 day period set aside for the agreement of the voluntary SLA. In order to allay the fears of Jersey Bus regarding access to any confidential information provided by the company to the independent consultants, it was agreed that this information would not be shared with the other members of the steering group appointed to develop the voluntary SLA, who would include an officer of the States Treasury.*

*"Before Jersey Bus withdrew from the meeting, Deputy J. A. Martin", that is Deputy Judy Martin, "advised the company that a request was to be submitted for the reinstatement of route 19. Mr C. Lewis indicated that Jersey Bus would consider reinstating this route if a subsidy could be provided."*

There then follows 26th July and there is a short minute, which says: *"The Committee, with reference to its Act No. B16"*, and I am talking about the Committee of course at this time of which Deputy Crowcroft (as he was then) was President and the Members of the Committee, as I recall, were Connétable Le Brocq of St. Helier, myself as Vice-President, Deputy Nichols, Deputy Scott-Warren and Deputy Judy Martin until, I think, September 2001. There were, I believe, six of us. Does that add up to six? **(Pause)**

Right, so *"The Committee, with reference to its Act"* -- this is 26th July -- *"considered the response of Jersey Bus to its final offer in respect of the process by which both parties would work together to agree a five year voluntary service level agreement which would incorporate both the scheduled bus service and the entire school bus service. It also had regard to the notes made by the Chief Executive designate"*, and that was John Richardson, *"of the conversations he had had with Jersey Bus on the 25th and 26th July.*

*"The Committee noted that the response of Jersey Bus did not constitute full acceptance of the Committee's final offer as the company was not prepared to take over full responsibility for the provision of the school bus service but was seeking to maintain the current split between*

*Jersey Bus and Tantivy Blue Coach. This would be disadvantageous to the Committee as it would reduce the incentive for Jersey Bus to maximise the integration of the scheduled bus service and the school bus service with a view to minimising the number of buses required.*

*“In addition, Jersey Bus had sought to qualify the terms of the final offer relating to the provision of financial information in respect of Tantivy Blue Coach and other related companies. The Committee having regard to the concerns expressed by its officers, unanimously decided to reject the revised offer made by Jersey Bus and instructed its officers to reiterate to Jersey Bus that the Committee would require the company to accept in full the offer that had been made by 12 noon on 27th July ... or else it would proceed with the implementation of its bus strategy.”*

It now jumps to 30th July, and the minutes read: *“The Committee, with reference to its Act ... of 26th July, considered whether to proceed with its Bus Strategy (P.104...) in the light of the events that had taken place since it had made its final offer to Jersey Bus on 23rd July ... ”*, and, of course, the proposition on the Bus Strategy had been tabled, had been submitted to the States and a time slot for to be debated. The last opportunity was 31st July before the States’ recess. So it was crucial to know where we stood. If Jersey Bus had accepted the final offer, the Bus Strategy would have been put off, but we had to have that iron clad commitment before we proceeded to debate the Bus Strategy.

So excuse that interjection, but the second paragraph of the minute says: *“The Committee having regard to the information pack prepared by the Department, which detailed the chronology of events over this period, noted the latest revisions made by Jersey Bus to the Committee’s final offer following a meeting between representatives of Jersey Bus and the [T&G] and a number of States Members who were”* -- and this is in brackets -- *“(who were acting without the authority of the Committee or the States). These further revisions again failed to clarify whether the necessary financial information on Tantivy Blue Coach and other related companies would be provided to the independent consultants and would maintain the current split responsibility for the provision of the school bus service.*

*“The Committee having endorsed the media statement made by the President on 29th*



*July 2001, which sought to clarify the Committee's position on these two important issues, unanimously agreed" -- unanimously agreed again -- "to proceed with the implementation of its bus strategy, which was due to be debated by the States the following day. The Committee having decided to proceed with the bus strategy debate, discussed the two amendments that had been brought to P.104... . With reference to the amendment brought by the Industries Committee, which sought to remove the proposed limitation on the period for which a licence could be granted to a successful tenderer, the Committee was content to accept this amendment.*

*"However, with regard to the second amendment ... (brought by Deputy J.L. Dorey), which sought to defer the introduction of competitive tendering until late 2003, at the earliest, and to charge the Committee to negotiate with Jersey Bus to agree a way of maintaining the level of service provided in 1999/2000 during the intervening period, the Committee agreed that it would not want to continue negotiations with Jersey Bus." My recollection is what we were concerned about there was very much that we said: "Well, we will postpone the bus strategy, but we still wouldn't have a fully transparent working arrangement with Jersey Bus.*

I now go to a meeting of 1st August and, at that meeting, the Committee Minutes say: *"The Committee ... having succeeded in obtaining the endorsement of the States for the implementation of its bus strategy", so this is a day after the Bus Strategy was approved overwhelmingly by the States by a margin of 37 votes, I think, "the Committee considered a draft statement on the terms and conditions that it would expect any new operator to offer the existing drivers and support staff of Jersey Bus. The Committee, having agreed its statement (subject to minor revision), recognised that any terms and conditions of employment would ultimately be finalised as part of the service level agreement with any new operator and would be subject to Jersey law. Therefore, it could give no absolute guarantees about terms and conditions as it was not fully aware of the scope and detail of the current terms and conditions of the employees of Jersey Bus.*

*"However, the Committee remained committed to the development and improvement of the bus service and, under the proposed franchising arrangements, would expect service levels to increase and with it the need for drivers and support staff. It agreed that companies bidding to*

*operate the bus services would be required to outline their approach to terms and conditions in their expressions of interest and, in general, would be expected to comply with existing terms and conditions. The successful operator would also be expected to give priority of employment to the existing staff of Jersey Bus. The Committee would expect the arrangements for the transfer of existing Jersey Bus staff to a new company to be similar to the Trade Union Public Employees (TUPE) conditions in place in the UK for staff transferring from one employer to a new employer. It was further agreed that the [T&G] would be involved at an early stage in the formalising of these arrangements.*

*“The Committee received Mr M. Kavanagh, the [T&G] Regional Industrial Organiser, and J. McCartan, the Jersey Bus Convenor, to discuss the letter, dated 1st August 2001, from Mr Kavanagh to the President in connexion with future terms and conditions of employment for existing Jersey Bus staff. The Committee noted that the senior [T&G] representatives and staff employed by Jersey Bus were seeking the Committee’s written confirmation and response to the following:*

*“to give a written commitment that all Jersey Bus staff currently employed would be given a seamless transfer of terms and conditions of employment as per current contracts;*

*“that in the event Jersey Bus was not successful in the competitive tendering exercise, the new operator” -- and I emphasise that, because it was something, the wording was something taken up by Senator Vibert in his comments to this Committee and I will want to take those up later when I deal with his comments -- “the new operator” -- these are the words of the T&G -- “would give recognition to the current terms and conditions of employment;*

*“that in respect of the previous two points, they related to the new operator giving full recognition only to the [T&G];*

*“that the new operator would recognise” -- and these are all quotes from the T&G letter - - “would recognise that the [T&G] held sole negotiating rights with Jersey Bus;*

*“that the [T&G] would continue to represent its members within Jersey Bus or the new company and negotiate all terms and conditions of employment during the period of the contract;*

*“that the Committee given written confirmation to the [T&G] to the foregoing points and confirm that the current agreements and the above statements would be enshrined in the tendering contracts;*

*“that the 4th August 2000 agreement with Jersey Bus had stated that the company would be offered a three to five year contract.*

*“The Committee reminded the [T&G] representatives that the 4th August ... agreement had been subject to certain conditions that had not been met. Furthermore, it had since been superseded by events as the States had now endorsed the competitive tendering process, as outlined in the Committee’s bus strategy. In respect of [T&G] recognition and the union’s sole negotiating rights for Jersey Bus or a new company, the Committee was advised that existing Jersey legislation confirmed sole rights of representation and negotiation for all manual workers to the [T&G].*

*“The Committee assured the [T&G] there would be no barrier to union membership, but agreed that the foregoing statements in respect [of] union recognition and negotiating rights should be qualified by reference to existing legislation. This would allow recognition of any subsequent legislative changes. Accordingly, the Committee decided to seek the advice of the Law Officers’ Department on these two issues.*

*“The Committee having issued its agreed statement on the terms and conditions of any transfer to the [T&G] reps could not give an assurance that all Jersey Bus staff would be given a seamless transfer of terms and conditions of employment as per current contracts without having knowledge” -- I am emphasising these words -- “without having knowledge of what was enshrined within the existing contracts. It was also acknowledged that the [T&G] could not divulge this information without the agreement of both parties to any contract.*

*“The Committee having been advised that the [T&G] reps were due to leave to attend a meeting of the drivers and support staff at Jersey Bus to consider the Committee’s response to the aforementioned letter, dated 1st August 2001, acknowledged that, as it was unable to meet all their demands, there was a possibility that Jersey Bus staff might vote for industrial action.*

*“Accordingly, the Chief Executive Officer”, who was Dr Swinnerton at that time, I*

believe, *“was requested to contact the Jersey Advisory and Conciliation Service”* -- that is the organisation headed by David Witherington. *“Nevertheless it was also recognised that should the drivers and support staff take industrial action, this was not a matter for the Committee to resolve as they were not the employer.”*

There are a couple more paragraphs, but I don't think they add anything more to what I have said. I can give these to the Committee at the end of this, of course.

We go now to 6th August and the Committee -- and this is the day after the Committee had met on the Sunday morning with Mr Shenton (Mr Shenton at that time, because he was not Senator). So the Committee met on 6th August, with references to its earlier Acts and *“discussed the current situation in respect of the strike action taken by the bus drivers of Jersey Bus in the light of events that had taken place since the last official Committee meeting. The Committee also had regard to the notes made by the Chief Executive Officer of the meetings he had with Mr Witherington of ... (JACS) and Mr R Shenton, the former Senator who was acting as mediator in the dispute”*, which was a meeting that took place on 3rd August involving those people.

*“The Committee considered [a] revised version of the two notes that it had provisionally agreed on the tender document requirements to provide protection of the terms and conditions of existing staff of Jersey Bus should a new operator be introduced as part of the competitive tendering process outlined in the bus strategy. The Committee, having noted that these requirements had been deemed acceptable by Mr Shenton, approved the version to be circulated to the bus drivers.”* In brackets it says: *“(Attached as an enclosure to this Act)”* and, on the back of this minute is what we gave to Mr Shenton on the Sunday morning, and I will get back to that just a little later.

*“The Committee was apprised of the current progress of the legislation required to implement the bus strategy and agreed that this, together with the bus strategy as a whole, should be the top priority of the Director of Transport, although it recognised that other items of work might have to be delayed. It also requested that a meeting of the full bus strategy steering group be arranged so as to help progress matters. The Committee also noted a letter, dated 2nd*

*August 2001 from its bus consultant, Mr Childs of Halcrow Fox, regarding the revised date (September 2002) for the implementation of the new arrangements and setting out a proposed timetable.*

*“The Committee, with regard to the road service licence applications that it had been submitted by Jersey Bus, approved a draft letter from the President to Mr Lewis, Managing Director, Jersey Bus, suggesting a way round the conditions that Jersey Bus were seeking to apply to these applications, and it was noted that the aforementioned applications would be determined at a special meeting to be held on 22nd August 2001”, and that meeting took place, although I wasn’t in the Island for that meeting. I don’t know if you want me to read what we gave to Mr Shenton, or I can hand that over to you.*

MR SHEPHEARD: I suspect actually, Mr Hacquoil, that we have that in the papers that we already have available to us.

MR SPENCE: I haven’t brought the full set for this session, but I am very nearly sure that we have a full set of the Committee minutes and, if they are not in this Committee’s files, they are accessible to me from Greffe records.

MR HACQUOIL: Okay. Right, well, so much for the minutes. I will now go to the transcripts which I have read of Senator Shenton and then, after that, Senator Vibert. I think I said earlier that I had a clear recollection of the meeting with Mr Shenton (as he then was) on Sunday 5th August 2001 at 10.30am at South Hill. It is in my diary still for 2001. As far as I was concerned, the meeting was quite short and extremely amicable. It had been convened at very short notice and I certainly discussed with the President the meeting and I certainly thought it was absolutely necessary to have this meeting because Mr Shenton was in a mediating rôle and we needed that. In any case, we needed to clarify for the T&G that there would be absolute assurance on terms and conditions.

We had prepared, the Committee had prepared, a short statement entitled *“Tender requirements to provide protection on the terms and conditions of the existing staff of Jersey Bus”* -- and that is what is on the back of that minute that I referred to -- *“to be given to the [T&G] guaranteeing the same terms and conditions whether or not Jersey Bus is selected as preferred operator.”*

Now, Mr Shenton quotes me as saying (and I am quoting from the transcript): “... *it's the union that has been running the company and they are earning £600 a week and things like that.*” I'm afraid that that attribution to me is completely untrue. I said absolutely no such thing. We didn't even know at that time what they were earning. We didn't have a copy of the terms and conditions. In addition, in Canada, I had had considerable experience in dealing with unions, so why on earth, when we were in a conflict resolution situation, would I want to exasperate matters by saying something like that? That is just out of character with me, I would maintain.

In addition, as Vice-President of the Public Services Committee, I had been working very closely and amicably with the T&G -- Jim McCartan was the rep -- and the taxi drivers on new regulations to apply to taxis, which was no easy matter to deal with. I also had very good relations with Mick Kavanagh throughout my time on the Committee, including the time I was President.

Now, at that time, of course, Deputy Crowcroft was the President and he was at the meeting. Mr Shenton, however, was wrong again in his reference to Deputy Dubras being at the Sunday morning meeting. Deputy Dubras was not a Member of the Public Services Committee in August 2001 and was definitely not at the meeting. The only people at that meeting, apart from Mr Shenton, were the Members of the Committee (those who were able to attend) and an officer.

Mr Shenton's version of events may be confused by the several meetings he had had that week, as documented, with various parties in a mediation rôle, and he had even suggested, I might add, before he accepted our statement on terms and conditions on that Sunday morning meeting, which he didn't alter in any way, but he had even suggested an option 2 as a result of his mediation rôle, which would have required any potential new operator to protect the terms and conditions of Jersey Bus staff for a period of three to five years only. Now, that was much less than we eventually proposed as a Committee. I am just emphasising this to show that the Committee, when it had looked at the full situation, decided that it must protect the staff of Jersey Bus if a new operator was selected.

Mr Shenton also refers to the fact that we were “*talking about something where you haven’t got the information, you haven’t got the union agreement*”. The point was, as I recall, that prior to this, as I said earlier, we didn’t have a copy of the terms and conditions and the agreement. They were treated as confidential to Jersey Bus and the T&G. That is why the statement approved by the Committee -- and this is what I read out in the minutes -- was conditional on the Committee being provided with a copy of the full agreement on the terms and conditions of employment of the staff of Jersey Bus. We received a copy from the T&G, Jim McCartan, of very brief pay and related agreements for the different categories of staff -- they were one pagers, as I recall -- on 7th August, two days after our Sunday morning meeting with Mr Shenton.

Mr Shenton is incorrect, once again, when he said: “*Well, would you mind if I go from the meeting, get the agreement and come back to you? That I did and brought it and they could see for themselves what the agreement was.*” That is all very biblical, but I can assure you that that didn’t happen either.

Later on, however, he indicates, in reply to a question, that there was nothing in writing between him and the Committee. Again, that is untrue. We gave him that statement on terms and conditions and that is what, on his looking at it, satisfied him and that is why the meeting was so short. Whether or not Mr Shenton showed it to the T&G is another matter. I don’t know whether he showed it to them. Maybe he just quoted from it. At any rate, the Committee approved the final version of the statement on 6th August, and the minutes indicated that it had been deemed acceptable by Mr Shenton.

As further evidence on what I am telling you, I have read the testimony of Dennis Ord, who made it quite clear that there were no written terms and conditions in a formal document. He had to draw up everything from scratch -- grievance procedures, discipline procedures, health and safety, even individual contracts of employment which, interestingly enough, had long been a requirement under Jersey law, so I don’t know why they didn’t exist. Connex was not even given employee pay sheets, I think he said.

There is at least one item in Mr Shenton’s testimony with which I can agree, and that is in

reply to Mr Shepherd's question, yours Chairman, as to whether the officers attending the Sunday morning meeting had any animus towards the JMT. He indicated that, at the meeting he attended, they did not comment at all, and that is my recollection.

There was one other claim made by Mr Shenton that is incorrect. He said: "*I was most annoyed to find out that Connex introduced buses of a larger size*". Now, that claim has also been made by others without being challenged. The facts are that the Halcrow document entitled "*States of Jersey Bus Strategy: Invitation to Bus Operators to Express Interest in Operating Bus Services on the Island*" stated very clearly, under the heading, "2.6 Vehicles" -- that is the heading number and thence more particularly under 2.6.2 -- "*One of the constraining factors governing fleet replacement is the legal restrictions on vehicle size, given the narrow width of some roads on the Island. At present, the restrictions are 2.3m wide and 10.0m long, although the States may investigate some relaxation at least of the width restriction in order to allow more modern low floor vehicles to be introduced on the Island*".

The facts are, as I think I have said before, that the Driver and Vehicle Standards Department of its own volition, as happened subsequently in Guernsey, permitted Connex to introduce buses with wheel nuts protruding by 2.3 inches. This was similar to what the DVS had approved some years earlier for some buses of Jersey Bus. The Connex buses introduced were first inspected in the UK by DVS to ensure compliance, contrary to what Mr Shenton was implying and Deputy Baudains claimed in his testimony to the Committee of Inquiry.

Mr Shenton also referred to the qualities of Mr Lewis senior, Mr Bob Lewis, and gave an assessment of Mr Chris Lewis, the son. I have nothing to say about his assessment other than that, in the time I was on the Committee between 2000 and 2002, it was primarily with Mr Chris Lewis and/or Mr Cotillard that we dealt.

I now come to my final points in relation to Senator Vibert's transcript. Senator Vibert, in answer to a question from the Chairman, starts by saying that he was elected in February 2001. Then he says "*Sorry*" and thinks it was 2002. The correct date, according to the States Greffe, was in fact February 28th 2003. I am surprised, therefore, that Senator Vibert can be, as he claims, so accurate in his recollections of what people said without the benefit of verbatim



records through his training as a journalist but unable to remember matters involving himself.

Senator Vibert expressed a surprise that the PSC was not outraged by the late discovery of the shift allowance. I can assure you that we were absolutely dumbfounded that Jersey Bus should have agreed in principle without advising the Public Services Department or Halcrow while the tendering process was ongoing to provide the drivers with an extra £72 a week in the guise of a shift allowance, but starting only in September. The irony is that, if Connex had tendered on time with the school bus contract and had been the low tender, the T&G claim would have been unsustainable. As it was, the Connex tender for the school bus service came in one day late and, in accordance with our strict tendering practice, the envelope was returned to Connex unopened. Those were my specific instructions.

I can also confirm that my Committee's understanding with regard to the so-called shift allowance was that Connex was going to try to overcome the problem through productivity increases and/or negotiations with the T&G. The matter was not raised with me during the remainder of my tenure.

Incidentally, for the avoidance of any doubt, my Committee from January 2001 to December 2002 consisted of Senator Ozouf as Vice-President, Deputy Scott Warren, Deputy Nicholls and Connétable Crowcroft. We were five on that Committee, again, through my choice.

I wish to emphasise that I consider Senator Vibert's claims of lies and incompetence on the part of certain named officers of Public Services as being utterly outrageous. I have never during my service on the Committee from 2000 to December 2002 had cause to doubt their competence, their honesty and their integrity. I consider it extremely sad and unforgivable that a States Member should accuse public servants in this way on the basis of his own interpretation of events. The transcript of his own testimony quotes him as saying: "*What a bunch of incompetent, lying bastards they are. They should be in jail for what they've done, for what they've cost the taxpayer.*" I find it impossible to trust the judgment of someone who jumps to conclusions and uses intemperate language like that.

By contrast, Senator Shenton does not attribute blame to any officers, only to the Committee. As I have indicated when I first testified before the Committee, I accept complete

responsibility for what was decided during my time as President.

At the bottom of page 14 of his transcript, Senator Vibert makes another mistake over dates of a reported conversation which the Chairman questions and the Senator corrects the year. But he claims, once again, that he stood in an election in November 2002, when he actually stood in a by-election in February 2003. The Chairman asks when he wrote up the very detailed account of the conversations with Mr Richardson and Deputy Hilton, to which he replies, “*About a week ago*”. He then insists that he has a clear recollection of these meetings. “*I have been a journalist for many years and I am able to ... I suppose I’ve trained my mind to be able to do it.*” As an aside and at the risk of incurring the usual vicious character assassination on his website, I wish to state that I do not find the Senator’s claims on his ability to recall facts after a considerable period of time believable, not at all.

The Senator then claimed that everyone who made the decision to award the contracts to Connex was in a conflict of interest situation because, he claimed, most of them had made some very serious statements about Jersey Bus. I do not know and he was not asked what the basis of his claim was. I consider his statement to be grossly fallacious and an unsubstantiated attack on the integrity and honesty of the five members of the Committee of which I was President.

On page 23 of his transcript, Senator Vibert quotes from the minutes of the Public Services Committee on August 1st 2001, which, in his view, indicates clearly that Jersey Bus were not going to get the contract because the minutes referred to “*a new operator*” and not “*the preferred operator*”.

I wish to assure the Committee of Inquiry that there was no sinister motive or meaning involved in this wording. The Public Services Committee at that precise time was grappling with the concerns raised by the T&G about the seamless transfer of terms and conditions if Jersey Bus were not the preferred operator. The term “*new operator*” was used in the letter from the T&G and was simply shorthand for the situation where Jersey Bus was not the successful tenderer. It would not likely have arisen were Jersey Bus to be the successful tenderer.

So, once again, I have to take issue with Senator Vibert’s interpretation. The August 1st meeting occurred the day after the States approved the Bus Strategy. It was appropriate to be

dealing with the concerns of the union in the tendering process. The following day saw some intensive discussions aimed at trying to resolve the fears of the T&G, culminating in the Sunday meeting with Mr Shenton, where the final wording contained in the one pager tender requirements to provide protection on the terms and conditions of the existing staff of Jersey Bus was presented to Mr Shenton and accepted without change.

I should also remind the Committee of Inquiry that these meetings all occurred a mere three weeks after I had, as Vice-President, organised and chaired a meeting with the directors of Jersey Bus and immediately following with representatives of the T&G and gave them both to understand -- and this was before the Bus Strategy was approved -- that Jersey Bus, with its long experience and knowledge of local bus operations, had to be regarded as the leading contender or front runner in any tendering exercise.

I still do not understand to this day why Jersey Bus did not put together a successful low tender. Their covering letter accompanying their tender submission stated that they viewed the conditions of tender as being unreasonable. This was despite having said in a letter to me of 9th July, after I had met with them, that "*In principle, Jersey Bus are not against the tendering for the bus services*". They seem to be relying on their non-compliant bid as the basis for negotiation on a successful tender without having sought clarification from Halcrow on what conditions needed to be met and information provided in a non-compliant tender. In short, I believe that Jersey Bus failed to submit a successful compliant or non-compliant low tender because they failed to do their homework. Similarly, they had earlier missed the opportunity to clinch a deal on the final offer made to them apparently because they appeared to be stubbornly clinging to the notion that they need not comply with the new transparency conditions clearly required by the States, and that even predated the Bus Strategy.

I could go on, Mr Chairman, contesting numerous pejorative remarks of Senator Vibert, such as a public servant "*pouring a bucket of scorn on Jersey Bus and telling outright lies*", poisoning the minds of politicians. However, in the end, even Senator Vibert recognises that "*the decision was made on price*". That is the decisive factor. It was the lowest tender, including lowest profit margin, based on an assessment of the quality of knowledge and

experience of modern bus operations and the quality of management. I remain convinced that the Public Services Committee, of which I was President, made the right decision in 2002 in appointing Connex as the preferred bus operator for the following seven to ten year period. Subject to the outcome of this Committee of Inquiry, only time and bus usage will tell. That is all.

MR SHEPHEARD: Yes. Thank you, Mr Hacquoil. Have you got any questions, Mr Garrett?

MR GARRETT: No, thank you.

MR SHEPHEARD: That is a very lucid explanation. We find that we don't actually have any questions arising from what you have said. Thank you very much.

MR HACQUOIL: Thank you, Mr Chairman, and the Committee.

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