

STATES OF JERSEY

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

BLAMPIED ROOM, STATES BUILDING

Committee: Mr Huw Shephard (President)
 Mr Christopher Blackstone (Member)
 Mr Trevor Garrett (Member)

In attendance Mr Mac Spence (Committee Clerk)

EVIDENCE FROM:
SENATOR R. J. SHENTON

on

Thursday, 27th January 2005

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Reviewed 15/03/05 Committee Clerk

MR SHEPHEARD: I think that everyone whose presence is essential is here and, therefore, we

will begin the afternoon session with the Committee of Inquiry, albeit we will be starting slightly earlier than the originally indicated time. Senator Shenton, good afternoon.

SENATOR SHENTON: Good afternoon to you.

MR SHEPHEARD: We are very grateful to you for coming. I think you may know that we are receiving evidence on oath at this Inquiry, and I will proceed straight away, if I may, to administer that oath to you.

The witness was sworn

MR SHEPHEARD: Senator Shenton, the period that the Inquiry is principally interested in, at least in relation to the evidence which we think you will be able to give to us, is in relation to the period in 2001, but I want to go back before that, if I may, to the time when an arrangement was made between the States and Jersey Bus under which Jersey Bus was paid for providing free transport to pensioners.

SENATOR SHENTON: Yes.

MR SHEPHEARD: Now, are we right in thinking that that was something, an arrangement, that was originally made by you and others on behalf of the States?

SENATOR SHENTON: Yes. I took a proposition to the States. I took it. The timing I made very close to Christmas as I felt that it would be difficult for members to vote against it as political tactics. Also with an election coming up the following year, that was also a factor which I knew they would bear in mind and the old age pensioners received the approval of the States to getting free bus passes at 65. I think it has been appreciated and much used ever since. I did not have any consultation with the bus company or anything else so that they obviously would be in favour. This was a case of them receiving custom and the bill being met by the States. It was really something that was nothing to do with the bus company but rather with the public of the Island receiving a reward for their years of service to the Island and, in their retirement, they would receive this concession which they could use or ignore.

MR SHEPHEARD: Now that, as we understand it, initially the States were paying a lump sum each year to the bus company; is that right?

SENATOR SHENTON: Well, I was on Public Works at the very beginning of the Jersey Motor

Transport (that is “JMT”) having negotiations with the States and I well remember it, and I’m pleased today to see Mr Bob Lewis here, because something that has always stood in my mind over my years, my 30 years of service, was the time when Senator Krichevski and other formidable members of the States were on the Committee, which was interviewing the new owners of JMT and telling them what they should do and what they shouldn’t do and it’s nice to see politicians sometimes come against north country businessmen. I always remember Mr Bob Lewis’s comment at the time, when he said “Well, not on your nelly”, and if you’d have seen the faces of the politicians at the time, I think they had a rude awakening to what it would be like. But, to the best of my knowledge, they ran a good bus service. I was President of Defence on occasions when they asked if they could have the restriction on the size of the coaches lifted because they found it difficult to meet the requirement of this narrow bus which was required in Jersey and they were always refused. So it led on then to various, shall we say, subsidies from the States, on fuel in particular, which assisted the bus company, but, apart from that, there wasn’t much else that I remember.

MR SHEPHEARD: We have heard evidence that in relation to the travel for pensioners that it moved from being a lump sum payment by the States to a payment per pensioner per journey, with the introduction of more advanced ticketing machines in the early 1990s. Were you aware of that?

SENATOR SHENTON: No, I wasn’t part of that, no. That would be the Treasury or the Finance and Economics Committee. The main thing was ... my only concern, if I can say that, wasn’t with the bus company or indeed with the States. It was a concern about the people of the Island getting a free concession at 65, full stop.

MR SHEPHEARD: I just wanted to clear up that one matter before we got down to anything else. Now, you retired from the States when, Senator? I can’t quite discern that.

SENATOR SHENTON: December ‘99.

MR SHEPHEARD: And then in the summer of 2001 you became involved in brokering an agreement ----

SENATOR SHENTON: Yes.

MR SHEPHEARD: ---- under which the terms and conditions of service of bus drivers would be preserved if a new operator were appointed and they transferred to the new operator.

SENATOR SHENTON: Yes, there were press reports about the future of the bus drivers under any new contract that would be awarded, and I was approached by some of the union members of the bus company, who asked if I could intercede on their behalf because they were fearful of their future.

I would like to say here and put it on the record that I think people fail to realise at times that in the industrial field there are not the opportunities for people to move to other employment. We live in an Island. You can't move to the next town. You can't move up the road. You can't go somewhere else where there are alternative things. The bus company was the bus company and we were talking about, in the main, residentially qualified drivers and other operatives. In my opinion, they were being used as a pawn in this battle between the Committee of the day and the bus company as to who would run the new bus service. I thought that was unfair and I agreed to intercede.

I had a meeting on a Sunday morning with the men. There was a small number who didn't want me to represent them. They felt that maybe I would set them up, but then they unanimously agreed that it would, but I would only do it if I saw the management because, after all, they employed the men. I remember asking for a meeting with the JMT management -- I don't call them Jersey Bus and all that because they're JMT as far as I'm concerned -- and I met the full board and said that I would like to intercede. I made it clear to them at the time that I was not coming in to have a say as to who should get the contract, but I was there to protect their employees and make sure that they weren't found to be unemployed because some new operator could come in and immediately show savings by paying lesser wages or, indeed, by bringing in part-time personnel. I live in an Island. I know what's it like for people to be unemployed in the Island and that was my only motive. May I carry on on that?

So I then went and met the Public Works Committee and I must admit that I was surprised at what I found. I found a Committee that were not well informed on the subject matter. They seem to ... when I went and asked that the employees would be protected and

therefore the same conditions would apply, they -- one of them in particular -- said that, you know, it's the union that has been running the company and they are earning £600 a week and things like that. I remember saying at the time "That's pub gossip." You know, I hear that sort of thing. I have worked in an industrial field, in the docks and so on. You hear that from everyone. Everyone knows how much someone else gets, but when you really analyse it, the type of man that can earn that sort of thing is a man that you treasure. I certainly treasured them in the dock industry, because they are the men that will put in every hour that God gives them. They'll work their five day week. They'll work their weekends. They'll work when other men don't turn in because they are sick and that. You can't run your business without these people who will put in the hours and they deserve every penny they get. To use that as a basis for criticising the company or, indeed, the men I think was priceless coming from the politicians.

But I said "No, that isn't true, that isn't their wage. I know what their wage is and it is so much." They said "No, that isn't the case." I said "Well, you've got the agreement." They said "No, we haven't got it." I said "Well, you're telling me, you're talking about something where you haven't got the information, you haven't got the union agreement. You're telling me about how much the men are earning, but you haven't even got their agreement and you don't even know what the rates of pay are." They had to admit that that was the case. So I said "Well, would you mind if I go from the meeting, get the union agreement and come back to you?" And that I did and brought it and they could see for themselves exactly what the agreement was. But, prior to that, it seems to me they had no knowledge because they hadn't bothered to get it.

I have always found in negotiations that the worse thing you can do is to adopt an attitude; and I found that the Public Works Committee that I met that day had an attitude and that attitude appeared to me to be that, quite frankly, they wanted a change and it wasn't so much of a change because they didn't like the service that was offered, but they didn't like the people they were dealing with.

MR SHEPHEARD: Senator Shenton, you mentioned that there was one member of the Committee who commented that the union had been running the company.

SENATOR SHENTON: Yes, that was Deputy Hacquoil. It seemed to me that this had been

going on for some time, mind you, and I felt that there were other people that were party to it. The names came up at the meeting, but, you know, I've nothing in writing or anything, but I must say that it seemed that Deputy Dubras and Deputy Crowcroft had a lot to say about it and there were certainly attitudes there. But, because of the way it was going, and when I received their acknowledgement, some of the Committee in fact -- I hope you are meeting with them -- are still in the States today and I hope they are going to give evidence.

MR SHEPHEARD: I think we are trying to make sure that we see as many of them as we can.

SENATOR SHENTON: Yes, I think that should be so. I felt that some of them were just sitting there keeping the seat warm. But certainly the question that I went about, which was to protect the livelihood of these Jersey employees -- I don't necessarily mean that they were Jersey born, but Jersey employees -- I was successful. They conceded that they would ... that the new company would have to honour the existing working arrangements. Well, it was not so much the working arrangements, but the working agreement, and that satisfied me, which I back to the men and the men decided not to go on strike and they were very happy with that. But it also worried me when I saw the attitude, and remembering what had taken place with the question of these restrictions placed on the JMT about the size of the coach and so on and so forth, I remember saying to the Committee at the time "I hope you're telling me that once you've accepted this agreement, that whoever will receive the contract, it will be a level playing field." They assured me that that was the case. Now, I haven't been that well, but I do know that I was most annoyed to find out that Connex introduced buses of a larger size, which was completely at odds with the assurance given about the level playing field.

MR SHEPHEARD: As part of the process that you went through, Senator Shenton, you met the board of Jersey Bus Transport.

SENATOR SHENTON: JMT, yes.

MR SHEPHEARD: JMT. How did they react to what you were proposing to do?

SENATOR SHENTON: I never went back to them or anything. I only met them to ask their permission, in other words, to represent their employees. They could have said "No you don't, because they are our employees and we don't want you to have anything to do with it."

MR SHEPHEARD: But how did they respond?

SENATOR SHENTON: Very well. They had members of their board which, up until that moment, I didn't even know were members of the board and they accepted unanimously, you know, "Go ahead and try and protect the workers' positions."

MR SHEPHEARD: When you met the Public Services Committee, I assume that some of the officers of the Committee were there as well?

SENATOR SHENTON: Yes, they were.

MR SHEPHEARD: Did you manage to form any view as to whether the officers had any animus towards JMT?

SENATOR SHENTON: Well, it would be unfair for me to say if they did or didn't, because officers, certainly the officers in my 30 years of service, do not speak within situations such as that. They might advise their Committee, but they don't speak themselves. They don't take part in the discussions. They certainly didn't comment at all. In fact, it is more proper, if they have a comment to make, for it to be made through the politician. The politician is, after all, the authority. The civil servant, quite rightly, is there to advise and to give counsel and so on, but certainly not to speak on behalf of the Committee. I would find that rather strange. I would say that applies also in private commercial practice. I would find it very odd, you know, if the managing director and those people who are supposed to be running the company allows a minion, so to speak, to make the policies.

MR SHEPHEARD: Yes. I don't think I have any further questions for you. I don't know if my colleagues do. Mr Blackstone?

MR BLACKSTONE: Yes, a couple, Senator Shenton. You did write to the Committee saying "*However, I was concerned by the impression being given by the Committee that they wanted a new operator whatever the circumstances.*"

SENATOR SHENTON: That is true. That was the attitude I spoke about.

MR BLACKSTONE: From 1999 onwards to the time when negotiations finally broke down in August 2001, we have received a lot of documentation, some of it showing very unfortunate animosity between the Public Services Committee and Jersey Bus. Could you comment in more

detail and specifically say where you feel this animosity was coming from?

SENATOR SHENTON: Um, I don't know. I find ... I think the comment I made earlier about Mr Bob Lewis's comments, I find it refreshing, working in an industrial field. I think people who call a spade a spade you respect and you may disagree at the time but you don't fall out forever, you know. In fact, your respect grows. I think that perhaps there was a feeling that it is always difficult. I hope you won't mind me saying it, but I'm saying it to the Tribunal, that Chris Lewis, who is a nice fellow, is his father's son, but perhaps rubs people up the wrong way and people aren't prepared to take it so much. Whereas they will take it from dad, so to speak, they are not so eager to take it from someone else. But that shouldn't be a reason though for that animosity to come into the matter. As I say, youth can be impetuous and so on and so forth and, you know, we live through that sort of thing. We live through it all the time. We live through it at home, let alone anywhere else. I think people should be big enough, but there was definitely an attitude, which is what I expressed, and why I asked about the level playing field. I would have said that the attitude came because the Public Works Committee, not so much Deputy Hacquoil's but previous ones, wanted a change, no question, no question at all, and, therefore, the public suffered because of that.

MR BLACKSTONE: I don't think I've got anything else.

MR SHEPHEARD: Mr Garrett?

MR GARRETT: Just a couple. When you negotiated this agreement, did anybody suggest, or was it envisaged, that all future wage negotiations would be suspended until a new operator was put in place?

SENATOR SHENTON: No, that wouldn't be right at all.

MR GARRETT: No.

SENATOR SHENTON: The men are entitled to continue with their agreement and if there were alterations made to the agreement or if the annual ... I am sure that everyone, even the police, would take it unkindly if you were to say "Well, you're not, because something is happening, going to have the annual pay and negotiations." It would be most unfair."

MR GARRETT: I have no doubt that my former colleagues in the police force would have

looked at it that way.

SENATOR SHENTON: Having dealt with them, I know that is true.

MR GARRETT: Indeed. Just picking up on the theme that you have raised about the North of England business attitude ----

SENATOR SHENTON: I don't mean that in any way rudely. I admire it rather than, you know.

MR GARRETT: Sure, but should it ----

SENATOR SHENTON: I mean, we're too cosy in our Island at times, especially the politicians.

MR GARRETT: But should it be an issue where somebody comes from, if somebody is blunt?

SENATOR SHENTON: Yes, it's lovely.

MR GARRETT: Okay. If there is a breakdown in the relationship between two parties, where you have got a North of England, blunt speaking business man and a politician on the other side of it and clearly in the scenario that we're talking about at the moment the bus company wasn't going to go away and the management team is relatively small and it is not going to change, would it be fair to say that, in the interests of progressing anything, possibly the politician should step aside if the situation has broken down that far? Would it be reasonable to, say, pass it on to somebody else so there is an air of objectivity?

SENATOR SHENTON: Having worked in the docks, as you know, my respect for the politician or the harbour administration is not what it should be. I think they would have difficulty in running a newspaper round, let alone running the docks. Now, I'm sure bus operators feel the same way and they know politicians, just because they are elected, don't become overnight high powered bus operators or policemen for that matter or anything else. You know, one has to recognise there are limitations and the politician has to rely very much upon the goodwill which can be engendered between the people operating on the outside and facing all the industrial problems and themselves who are shielded from that and have a buffer with the civil servants in between.

MR GARRETT: As an alternative, do you think that people should actually spend time and

energy working on the relationship? As opposed to digging trenches ever deeper, should they actually spend time working on the relationship to make sure that they can work with whoever they are dealing with?

SENATOR SHENTON: I think it is very sad if it doesn't happen that way, yes. That is what we are elected to do. I think we have to do the best we can with the limited knowledge that we have and to rely upon the people that we appoint to do the best job possible.

MR GARRETT: Last question at the moment. You used the word "*battle*" between Jersey Bus and Connex. Did you actually see it in that kind of situation?

SENATOR SHENTON: I didn't see it until I met the employees and then, on that Sunday morning, it all came out sort of thing. I met them and they were in fear of what might happen to them for the future. They have mortgages and so on like everyone else and so on and they could see that they were going to be the loser and they felt, as I perceived, that it wasn't their quarrel, which is why I got them off the hook by making sure that they would be protected. It was this battle -- and I use the word "*battle*" -- between the Public Works on the one hand, not Connex, the Public Works on the one hand, and the Jersey Motor Transport Company. Somewhere along the line, someone was going to come in and get the contract.

MR GARRETT: Thank you.

MR SHEPHEARD: Senator, one or two further matters occur to me which I would like to try and clear up now, if I may. The agreement that was struck, was that reduced into writing?

SENATOR SHENTON: The agreement between myself and the Committee?

MR SHEPHEARD: Yes.

SENATOR SHENTON: No. You know, again, you're back to the sort of different type of approach where your word's your bond and I received the word of the Committee. I conveyed it to the union, whose response would have been, if they had backed off, you would have had an immediate strike. So you don't want to do that ----

MR SHEPHEARD: And it also probably would have been political suicide.

SENATOR SHENTON: That's right, but it was not so, you see.

MR BLACKSTONE: I think I have seen that committed to writing somewhere.

MR GARRETT: There is an Act of the Committee, I think.

SENATOR SHENTON: That's why I did mention in my letter I didn't have any copy of the meetings that I had with them, not at all. As far as I'm concerned, I got what I wanted for the men and I don't care what they wrote up afterwards.

MR BLACKSTONE: Among the huge volume of paper that we've had to look at, I'm sure I remember seeing that ----

SENATOR SHENTON: No, I would imagine that there would be.

MR BLACKSTONE: ---- recorded either by PSD or ----

MR SHEPHEARD: I have certainly seen the Act.

MR GARRETT: The Public Services Committee Act.

MR SHEPHEARD: But I was concerned to try and establish whether there was in fact another document, but clearly there wasn't. I think that is all the questions that I have, unless ...

MR BLACKSTONE: I just have one more.

MR SHEPHEARD: Yes, Mr Blackstone?

MR BLACKSTONE: You have been very circumspect, Senator, naturally enough, about the rumours flying around and the animosity and reluctant to attribute it to any particular person. Unfortunately, in the evidence that we have heard, it seems that the consultants who conducted the tender process were fed or heard rumours about the bad relationship between PSC and Jersey Bus, JMT, and even went so far as, in their assessment of the bids, which in my opinion should have been purely factual on the figures submitted, they included a statement: "It does not seem likely", or "It does not seem possible that there will be a partnership between the parties concerned." Do you consider that is unfortunate in what should be a factual statement?

SENATOR SHENTON: If I were President of that Committee, I would ask the consultants what they were doing. That is not part of their brief. The Committee should stand on its own and, if they conveyed that, I can only ... as I said earlier, I used the word "*pub gossip*". There are some many things that are pub gossip that the public want to use. You hear it on the radio in the *Jersey Phone In*. They make statements which can't be borne out or, if you choose to do something, as an instance a taxi driver in the last few days gave his day's takings to the Tsunami

appeal, so that's been turned on its head and someone the other day phoned in and said "There you are, it shows they are earning £600 a day." You know, really that sort of thing, you just say "Please" to the people, you know, "look at things in a different light", we are told. If a man did that, he'd say "I given it all" and he'd extra tips and so on, it doesn't need much intelligence to work it out, and I find the same thing about the relationship, you know, about they were earning £600 and they were running the company. To learn that from people who are in authority, running the Island, I found a rather sad commentary on the state of affairs.

MR BLACKSTONE: I was personally concerned, and I think my colleagues agree, that the consultants should have been given this information not merely from the media, which is unavoidable, but also directly from at least one member of the Public Services Committee and one member of the Public Services Department.

SENATOR SHENTON: Well, I'm not north country, but you know what I would do with it.

MR BLACKSTONE: Thank you very much.

SENATOR SHENTON: Thank you.

MR SHEPHEARD: Thank you very much, Senator.

SENATOR SHENTON: No, thank you.

MR SHEPHEARD: I'm very grateful to you for giving us your insight on what was going on then and for clearing up a few points about the agreement that you were able to broker in relation to the transfer of the undertakings.

SENATOR SHENTON: Well, can I thank you, Mr Chairman, and your Committee, and I really do mean it, however it comes out. It is a thorough job and it is something that the Island needs, and maybe the States will learn how to behave when they deal with such a matter in the future. Thank you.

MR SHEPHEARD: Thank you, Senator. You are welcome to stay and listen if you would like to.
