

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:

DEPUTY C. SCOTT WARREN
(Former Member Public Services Committee)

on

Tuesday, 1st February 2005

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MR SHEPHEARD: Good afternoon, Deputy. The Committee of Inquiry into the bus tendering process has now reassembled and we are in a position to begin our next session. The witness who is now before the Inquiry is Deputy Celia Scott Warren, who I think was a Member of the Public Services Committee at times in which this Committee is concerned. **(Pause)** Deputy Scott Warren, the Committee is receiving evidence on oath and I will, therefore, proceed to administer the oath to you.

The witness was sworn

MR SHEPHEARD: Now, Deputy Scott Warren, when were you first elected to the States?

DEPUTY SCOTT WARREN: November 1999. In fact, it was in the December that I was sworn in.

MR SHEPHEARD: And when did you become a Member of the Public Services Committee?

DEPUTY SCOTT WARREN: Virtually immediately after the ... after I was sworn in the Committee was set up, so certainly the end of 1999.

MR SHEPHEARD: Now, the Committee had, slightly earlier in 1999, decided to issue Jersey Bus with a one year licence and, I think, to work towards a service level agreement for the provision of future services. Is my recollection right on that, or am I slightly wrong or totally wrong?

DEPUTY SCOTT WARREN: I presume you are right about the one year licence, but obviously Mr Lewis would know more, because, before I got into politics, I mean, I presume you are right. As to a service level agreement, I know that was talked about while we were ... while I was on the Committee. I just don't know if that was actually talked about before, so I can't verify that.

MR SHEPHEARD: When did you first become involved in matters relating to Jersey Bus?

DEPUTY SCOTT WARREN: Well, on that Committee, I presume probably from fairly early on. It would certainly be in the year 2000. I have to say that I am woolly on the dates that things happened, but obviously the first major thing with Jersey Bus would have been the proposed second experimental Hoppa bus service, so that is ... and I think that was probably the summer of 2000.

MR SHEPHEARD: Now, that was, again, on the basis of the evidence that we have already heard, the Committee decided to award a subsidy to Pioneer Coaches to run a service; is that right?

DEPUTY SCOTT WARREN: Yeah, there were ... I mean, there may have been meetings. There were meetings before, I think, before the summer of 2000, but eventually the Committee did decide to award it to Mr Eden, to Pioneer, yes.

MR SHEPHEARD: And that provoked a strike from Jersey Bus drivers or some form of industrial action from them?

DEPUTY SCOTT WARREN: Again, I hope I am correct in saying I think it was the threat of a strike and Simon Crowcroft, who was the President of the Committee, I believe, on his own, withdrew the offer to Mr Eden or Pioneer Coaches. **(Pause)** And yes, it led ... that led to the downfall of the Committee.

MR SHEPHEARD: Now, can you recall when it was in relation to that that Deputy Gerard Baudains resigned?

DEPUTY SCOTT WARREN: Yes, he resigned. He was the first person to resign from the Committee. He and I held very similar views about this awarding of this, in that, because we had awarded it, we felt it should have been ... it should have been ... if you award a contract for an experimental service, you should obviously stick to that. I think, to be fair, Deputy Crowcroft realised that instead of calling the Committee together to discuss the fact that there was a threatened strike by Jersey Bus, I believe he acted on his own, maybe with his Chief Officer. So Gerard Baudains resigned. I believe Bob Hill resigned next and I resigned after that.

MR SHEPHEARD: And the ultimate result of that was that the Committee fell on 12th September when the States next met?

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: That is right, isn't it? You became a Member of the new Committee that was formed immediately after that.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: And what happened then? We are now moving into the timescale certainly

when Public Services were considering a service level agreement with Jersey Bus.

DEPUTY SCOTT WARREN: Yes. I mean, I actually supported Simon Crowcroft to become President of the second Committee because he did acknowledge that he hadn't handled things properly over the ending of the awarding of the experimental Hoppa service and, because he realised he had made an error, I supported him to be President again. Then we did go into ... and this is, again, where I'm not deliberately being woolly, but I do believe we did go into discussions with Jersey Bus and somewhere in these discussions it was also with Mark Lewis, Chris Lewis's brother who is a lawyer, for, I believe -- and I have to say I only believe -- it was a contract. I'm not sure whether it was a five year or a three to five year contract and possibly, I think, the service level agreement with it. We actually had a meeting of the Committee with Chris Lewis and his brother where this was ... it was a long it took all morning, this meeting. It was a very amicable meeting on behalf of, at that stage, Mr Lewis and the Committee. It seemed to have got quite amicable. I am not certain about this, but I believe that, towards the end of that meeting -- and I have to tell you I am not 100% certain -- but I believe it is possible that Simon Crowcroft indicated at the end of the meeting when we had gone through all of this that he might want expressions of interest from others, but I am not 100% certain, but I believe that did happen. **(Pause)** It was certainly gone through (if you pardon the expression) with a fine tooth comb this agreement with Mark Lewis being present.

MR SHEPHEARD: Right. Had you been involved in any meetings with Jersey Bus prior to that?

DEPUTY SCOTT WARREN: Well, I was involved before the second experimental Hoppa bus at the beginning of the negotiations with ... one morning earlier, I think some Committee Members might have been with me and possibly Deputy Duhamel, I'm not sure, and Chris Lewis, possibly Iain MacFirbhisigh and Simon Crowcroft. And at the beginning of the discussions for the Hoppa bus, I think it was assumed by Jersey Bus that they ... because it had been a very successful first Hoppa bus experiment, I think Jersey Bus assumed that they would run the second Hoppa bus. It wasn't a very long meeting, it was early morning, and near the end of the meeting Simon Crowcroft sort of ... I believe he said that he would have to see if others

were interested in running this service. **(Pause)** And I'm not sure if he was actually aware of that -- not that, but the fact that that probably did affect Mr Lewis's attitude, in that I think they had thought that they were going to run the second Hoppa bus experiment.

MR SHEPHEARD: Do you recall any meetings at which a gentleman by the name of Griffiths, who was a consultant to Public Services, was present?

DEPUTY SCOTT WARREN: Um, I believe this ... it is difficult because there were a lot of meetings concerning the finances of Jersey Bus. Is this the name who was brought in ... if this is the man who was brought in to give an opinion on the state then of Jersey Bus' finances, I was involved in some meetings regarding that issue.

MR SHEPHEARD: Um ...

DEPUTY SCOTT WARREN: Is this from FourSight?

MR SHEPHEARD: Yes, the gentleman from FourSight.

DEPUTY SCOTT WARREN: He came to the Committee to give an overall ... without much detail because of the confidentiality side, he gave an opinion of the Diamond, of Jersey Bus' status concerning money, but, before that, I also, or around that time, and I can't be sure whether it was before or after, I did also have access to the Jersey Bus accounts that Mr Lewis gave to FourSight and gave in total confidence.

MR SHEPHEARD: Right. Did you ... what did you think Mr Griffiths' background was?

DEPUTY SCOTT WARREN: Well, I think I presumed he was a financial expert, being brought over. To be honest, I must be fair, we may have been told his actual ... this is now, we are actually talking about three or more years ago. He ... I mean, I can't actually remember, but I assume we were given some information of what he was.

MR SHEPHEARD: Would it surprise you to know that he was not a qualified accountant?

DEPUTY SCOTT WARREN: Yes, it would surprise me to know that. **(Pause)**

MR SHEPHEARD: At that stage, what was the relationship like between the Committee and Jersey Bus?

DEPUTY SCOTT WARREN: Is this ... when you say that, is this at the stage where the finance ----

MR SHEPHEARD: This is at the stage where FourSight are involved and discussions are going on about what would be a proper level of return for Jersey Bus.

DEPUTY SCOTT WARREN: Um, my own feeling is that there were a lot of factors at play throughout the whole scenario. I personally don't think that it is really up to me to say what other people think, but my impression was that Mr Lewis didn't really trust Deputy Crowcroft. **(Pause)** I think there was a bit of a personality thing between ... a little bit of a personality ... a little bit of a clash between Deputy Crowcroft and Chris Lewis. I think that is probably based on mistrust of each other.

I would say that there were a lot of factors on the Committee side. Obviously you have a very powerful company, Diamond Jersey, and one of the things that was really ... one of the things that was seen as a problem was that, because it was a sister company, Jersey Bus and Tantivy Blue Coach, that was seen as a bit of a problem from the point of view of Jersey Bus being incentivised because whatever passengers Jersey Bus didn't take, Tantivy Blue Coach could take, so there was a bit of maybe a conflict of interest within the company there. As you said with Mr Griffiths, there was concern about the accounts and the management of Jersey Bus that was expressed at the Committee.

MR SHEPHEARD: You said that ----

DEPUTY SCOTT WARREN: Can I just also say that one other major factor, I think, in play was the power of the unions. I must stress I'm not anti-union, but the power of the unions had obviously been in effect, that that had been in effect with the Hoppa bus, second experimental Hoppa.

MR SHEPHEARD: You had seen that with the Hoppa bus, hadn't you?

DEPUTY SCOTT WARREN: Yes, yes.

MR SHEPHEARD: Yes. **(Pause)** Now, you have said that you felt that, or you got the impression that, Mr Lewis didn't trust Deputy Crowcroft, as he was then. Did there come a point when the Committee felt it couldn't trust Jersey Bus?

DEPUTY SCOTT WARREN: Well, personally, um, the concern that the Committee ... I don't think that is the way I would word it.

MR SHEPHEARD: Well, please, I don't want to put words into your mouth.

DEPUTY SCOTT WARREN: There were overriding concerns expressed to the Committee by the Officers. One, which obviously was a big, big factor, was that the scheduled bus service, they wanted to ... the Committee and Officers thought that the scheduled bus service should take on more of the school children, the ridership of the school children, and there was a worry about the concern expressed about the high cost of operations for Jersey Bus and Tantivy, which I have looked up some notes and I understand was £76.60, we were told per hour, but apparently it was per session, which could have been, I understand, an hour to three hours or an a hour and a half to three hours. There were ... the concerns that the Committee were given were financial aspects of Jersey Bus and Diamond Jersey; the fact that, as I have said, of how you can reorganise and reschedule the bus service to include the some school children, so you didn't have to have the expenses of paying Jersey Bus and Tantivy Blue Coach for them. I think, to be honest, the Members of the Committee varied in their attitude towards Jersey Bus. **(Pause)**

MR SHEPHEARD: By that, I suppose you mean that there were some ardent supporters and some who thought they were not doing what they ought to be doing; is that right?

DEPUTY SCOTT WARREN: I don't necessarily mean they were ardent supporters. Obviously, when we got into the competitive tender and the Bus Strategy document, I would think that some of us might have been more keen to continue negotiations with Jersey Bus -- though they did continue with the final offer -- than others, but, um ... **(Pause)** And I would like to stress that I do believe that from the President down, but particularly the President, has a strong and very keen interest in bus travel and the future of public transport, so they would ... whatever the differences regarding whether you should go, continue with Jersey Bus or go to a competitive tendering process, the keenness to see a good, effective bus service was there throughout the Committee.

MR SHEPHEARD: Now, there came a point in 2001, I think it was, when the Committee made a final offer to Jersey Bus and then some States Members attended a meeting with Jersey Bus and the Transport and General Workers' Union and then sent a letter round to all States Members after that. Now, we have heard that Deputy Dorey was, I think ... was he one of those?

MR BLACKSTONE: Yes.

MR SHEPHEARD: Deputy Dorey was one of the people involved in that. Do you recall that letter going round?

DEPUTY SCOTT WARREN: I recall more actually, but I don't particularly ... I know now that the letter did go round, but what I did recall was the meeting on the Saturday morning held by ... I mean, although obviously I wasn't there, the meeting, the Friday deadline and the meeting on the Saturday and the fact that none of the Committee went to that.

MR SHEPHEARD: None of the Committee went to that?

DEPUTY SCOTT WARREN: As far as I know. I don't ... well, certainly Simon Crowcroft didn't go to that meeting, because it was a midday deadline on the Friday and ... **(Pause)** I think the attitude probably was ... well, it's hard to speak for other people, but I assume that the President of the Committee thought well, it hasn't been reached by this deadline, he had his Bus Strategy ready to be debated the following Tuesday, um, so I think probably he was enthusiastic at this stage, as they had not agreed to this final offer, to go to that Bus Strategy, to debate that.

MR SHEPHEARD: So, um, the Bus Strategy was debated in the States the following week, along with some amendments that Deputy Dorey had proposed, and I think there was also an amendment from the Industries Committee, which was accepted by Public Services. Deputy Dorey's amendments weren't accepted: it went to a debate and he lost 37:13. I think I am right in that, but we have the minutes. What did you think of Deputy Dorey's proposals?

DEPUTY SCOTT WARREN: To be honest, can you refresh my memory? I presume they were to renegotiate with Jersey Bus, the proposals?

MR SHEPHEARD: If my little device will work, I will be able to look at the proposition. **(Mr Shepherd and Mr Blackstone conferred)** My colleague reminds me that Deputy Dorey was proposing, effectively, proposals that were intended to allow people to walk away from or step back from what had become an entrenched position and to postpone any tendering process until the end of 2003. Now, what were your views in relation to that?

DEPUTY SCOTT WARREN: Without looking at the minutes, I presume that I did not support that, but I would have ... I mean, I would say that I don't actually consider that I have ever been

anti-Jersey Bus. You know, had the negotiations gone on to the Saturday, I probably would have thought that was fair, but I think, by the following week, the Bus Strategy was there. I mean, it had completely ... the negotiations had obviously completely broken down, so I presume, but I haven't obviously ... that I didn't support that and that I supported the Bus Strategy.

MR SHEPHEARD: Right. Did you ever have any discussions with Deputy Dorey about the way to approach Jersey Bus, the way to approach the negotiations?

DEPUTY SCOTT WARREN: I must be honest, he showed me the email that he sent to the Panel, so I ... so he has said in that email in relation to the meeting that he asked me and I wasn't really ... he seemed ... he asked Committee Members, including me, and I seemed to be ... I think ... I can't remember the words of the email, but there was no chance of doing it, anti or whatever. I just asked him whether this was actually in the States sitting because it is a bit difficult. You know, you can't talk very well at the beginning or end, you just say one word or one sentence.

The overriding ... what has to be said is that I think there are a huge number of factors involved right from probably years before I became involved on that Committee that Jersey Bus, having had yearly contracts -- I don't know if that had been the case for some time -- but the fact remains that there were a lot of factors that were born to bear, including what hasn't been mentioned, Halcrow, Roger Childs. There were a lot ... that is further on, isn't it, so we will go through that, but there were a lot of factors that the Committee were given information on, but I did think that the final offer, the week of that final offer was a chance to let, to have a contract with Jersey Bus, and I was pleased that there was that chance. By the following week, I think I thought, by the Tuesday, that was it, it had probably reached the level. **(Pause)**

MR SHEPHEARD: Were you aware that Halcrow had received instructions to advise in relation to a tendering process as early as the year 2000?

DEPUTY SCOTT WARREN: Um, when you just told me, no, but I'm not sure if we were made aware of that. Now I can't remember that, but, um, what part of 2000 was that? Was it the beginning or the end?

MR SHEPHEARD: In the middle, around about June. We have seen documents that suggest

fairly conclusively that Halcrow were first approached in about June 2000 to advise on a tendering process.

DEPUTY SCOTT WARREN: Right. You see, it is difficult because this is news to me now, but I cannot be certain whether or not I was made aware of that at the time. I don't think I was aware of it, but, you know, it's some years ago. So this was before or about the time that the five year, the three to five year or whatever contract was being discussed with Jersey Bus?

MR SHEPHEARD: This was a little time before that, yes.

DEPUTY SCOTT WARREN: Yes. The only way that that could be verified is if there is any mention of Halcrow in the minutes of the meetings of that year. I couldn't 100% tell you that I didn't know that, but I don't recall it, but that may be a bad memory, I don't know.

MR SHEPHEARD: We know from the evidence that we have already heard that Halcrow, and in particular Mr Roger Childs, became involved in the middle of 2001. Now, were you involved in the Bus Strategy Steering Group?

DEPUTY SCOTT WARREN: Yes. Yes, I didn't put it on my list, but, yes, I was on that.

MR SHEPHEARD: And did that group play any particular part in defining the scope of what they expected Halcrow to do starting from 2003 -- sorry, 2001?

DEPUTY SCOTT WARREN: I have got to say that, short of having the minutes, I am woolly on what happened with this Bus Steering Group. I am not being evasive, but I cannot remember the detail of what was discussed, but there must be minutes.

MR SHEPHEARD: In any event, from about September 2001 onwards, the States were, or after the States had adopted the Bus Strategy, it started going into the tendering process that was overseen by Halcrow.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: Now, at the same time there was a review going on of the existing Motor Traffic (Jersey) Law 1935. Did you have anything to do with the legal aspect of it, or was that left entirely to the Department and the Law Officers, the Law Draftsmen?

DEPUTY SCOTT WARREN: I think ... I mean, I think that it was mentioned at Committee meetings that the law was going to be ... that there were going to be changes, but all of that Alan

Muir would have been the one who was involved with the Law Draftsmen on that, because the law didn't allow, I don't believe, for competitive tendering, I think.

MR SHEPHEARD: No, it didn't.

DEPUTY SCOTT WARREN: Or even two operators... I'm not sure if it was two operators or not.

MR SHEPHEARD: The structure ... as a lawyer, can I tell you that the structure of the law before the changes that were brought in by R&O 30 of 2002 was that anyone who wanted to run a bus on a particular route had to apply to the Committee for a licence to run a bus on that particular route. It was open in theory for anyone to pop up with a bus and say "I want to run a route from Gorey into town or from Jersey Pottery to Rozel" or whatever.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: Provided the Committee agreed to it.

DEPUTY SCOTT WARREN: Yes. Not very practical.

MR SHEPHEARD: Well, it was a structure that certainly mirrored the structure in the United Kingdom at the time it was adopted and for some time afterwards, but, yes, the law did not allow for competitive tendering or for the payment of subsidies. So, if you were going to go down that route, then quite clearly there had to be some changes, but you weren't involved until the 30 of 2002 came for debate in the States? You weren't involved?

DEPUTY SCOTT WARREN: No. It was discussed. The changes to the law and the need to change the law was discussed at Committees. I think I am right in saying that, at the renewal of the licences at the Town Hall, when we had, I think it is, Mr Dun would state that the law was ... I mean, in public as well it was known that this law was not appropriate really.

MR SHEPHEARD: I think there had been some public ventilation on the point.

DEPUTY SCOTT WARREN: Yes, there had.

MR SHEPHEARD: Now, the tender process really kicked off towards the end of September 2001, when an advertisement was put in the trade press asking interested bus companies to get in touch with Halcrow. We understand that about 29 companies did get in touch and then, in January 2002, tender documents went out and, I think it was, some five companies returned

tenders; is that right?

DEPUTY SCOTT WARREN: Yes, I think it was about five or six, yes, from memory.

MR SHEPHEARD: Now, did you have anything to do with that process?

DEPUTY SCOTT WARREN: No. That, I mean, the thing was that we all assumed -- or I assumed on the Committee anyway -- that when you employ somebody else such as Halcrow, they have all the experts on tendering documents. We were told what was happening and when things were going out that they had had so many back, but we were just kept informed really.

MR SHEPHEARD: Now, the tenders all had to be in by 19th February and then I think, on or about the 20th, there was a meeting here in Jersey at which those tenders were opened. Were you present at that meeting?

DEPUTY SCOTT WARREN: I don't think ... no, I wasn't. I think it was probably ... I am only ... I believe obviously that ... I assume that an officer ... that an officer such as John Richardson and/or John Richardson and Simon Crowcroft or Robin Hacquoil ... I am trying to think who was President.

MR SHEPHEARD: I think Mr Hacquoil had become President of the Committee around about that time.

DEPUTY SCOTT WARREN: Yes, so it would have been the President and the Chief Officer, I presume. **(Pause)**

MR SHEPHEARD: After the tenders were opened, Halcrow, we know because we have had evidence on this, were involved in an assessment exercise.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: And they then reported back to the Committee.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: And then the Committee held a meeting on 15th March at which the three short listed tenderers (if I can use that phrase) were invited to make presentations.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: Were you at that meeting?

DEPUTY SCOTT WARREN: I would have been there, yes. I was there, I think, yes.

MR SHEPHEARD: Now, what do you remember of the presentations that you saw and heard?

DEPUTY SCOTT WARREN: Um, well, I remember the presentations quite well. I think there were three. There was Dunn-Line, then Connex ... I think it was this order -- Connex and the Connex presentation was extremely good. Now, I must stress that in relation to the Jersey Bus presentation ... I must stress that Halcrow were giving ... they were giving recommendations and financial ... they were overseeing ... they were sort of almost ... they were certainly strongly advising the Committee on the, I don't know if the word is the, viability of the tenders, but whether they were ... well, obviously they had been asked over to do that, so they were doing it. The presentations, I think, to be honest, they were all ... I would say they were all reasonably good, but the Connex one, they were ... Connex, amongst the things they said they would be willing to do minibuses between hospitals. Their presentation was extremely good and we were advised that their figures ... they were certainly a better presentation than the Dunn-Line. I think it was Dunn-Line. Was it Dunn-Line, the couple that came over from Dunn-Line?

MR SHEPHEARD: Yes. **(Pause)** One of the bones of contention that the Committee is looking into is the question of the claim that was subsequently made by Connex for payment in respect of shift allowance which had been claimed by Jersey Bus' drivers in February of 2002, which wasn't finally agreed until some time after the closing date for tenders. When did you first become aware of this?

DEPUTY SCOTT WARREN: I think I said to you on the phone, I do not really ... probably because of the years that have gone by, because it has become more of an issue since then, I can't say for sure. I believe that the Committee did know -- but still I can't say that I 100% know this -- about the Jersey Bus awarding their ... the minutes would be the best, better than my memory on this, I have to say, but we were never ... Well, I don't remember, but that doesn't mean that it wasn't the case, whether it was discussed, this, in relation to the other tenders. But surely this is what you employ Halcrow for? Surely this is an area where the Committee employed Halcrow to make sure that errors didn't happen in tender documents and estimates.

MR SHEPHEARD: Well, it is quite clear from the evidence that we have heard already that the claim from the union was sent by Jersey Bus to Halcrow on 12th February and Halcrow the same

day faxed and emailed that information out to all the tenderers. It is also quite clear from the minute that Dunn-Line's tender and the financial information submitted in support of it, that Dunn-Line included a specific sum of money in their bid to cover the cost of the shift allowance.

DEPUTY SCOTT WARREN: Right.

MR SHEPHEARD: Jersey Bus have given evidence that they made it quite clear that they had fully costed the shift allowance and had incorporated this into their tender bid and the evidence that we have heard from Connex is that Connex thought it was so unlikely that Jersey Bus would agree to this claim that they just disregarded it.

DEPUTY SCOTT WARREN: Well, that is ... that is news to me. Again, I would make the point that if Connex, as you are saying, had disregarded this, this should have been picked up by Halcrow, who were at the ... they were at the awarding of the tender. They were there. I am sure that Roger Childs ... I am fairly certain that he was there. Certainly Halcrow were at that meeting where the tenders were awarded, and the financial advisers of Public Services. Surely that error should have been ... because that would obviously have affected the whole of the financial amounts for each specific tender, making Connex's lower than ... compared with the others?

MR SHEPHEARD: Well, Connex actually said in the presentation that they made to you, because we have seen copies of the slides, that their bid, that in preparing their bid, they had taken account of the drivers' pay claim in full.

DEPUTY SCOTT WARREN: This was said to us in the presentation?

MR SHEPHEARD: This was said in Connex's submission, in Connex's tender.

DEPUTY SCOTT WARREN: Yeah.

MR SHEPHEARD: And we understand it was repeated at the presentation to you.

DEPUTY SCOTT WARREN: I mean, in that case, why then are they then saying -- well, that is obviously for me to answer -- that they are then saying that they thought it had been disregarded because they can't have it both ways.

MR SHEPHEARD: We have heard evidence from them since then, obviously, within the last week, in which they say "Well, yes, what we meant was that the 4½% cost of living would be

met in full, but we didn't think that the claim for the shift allowance was going to be met in full." That is a matter that we have to weigh up in deciding what our findings are going to be.

DEPUTY SCOTT WARREN: Yes.

MR SHEPHEARD: And I don't want to prejudge that in any way.

DEPUTY SCOTT WARREN: No.

MR SHEPHEARD: But I think you have actually made your view quite clear on this. I think, at that point, I have got one more question for you, and it is this. Is there anything else that you would like to say to us about anything that occurred during the process or about any of the people involved or?

DEPUTY SCOTT WARREN: Well, obviously I think it is the fact that I knew Simon. I was in discussions with so many of the people involved around that period from late 1999 or 2000 through to the end of 2002 and having set up the Bus Users' Forum as well. I mean, I did used to see at the Bus Users' Forum Mr Lewis, who initially came along to several meetings and talked about a Bus Users' Charter. I mean, I think I have to say that there were a set of circumstances throughout this which ...

I mean, I, like the rest of that Committee, want to see good bus travel. We now obviously do have two operators in the Island with the Easylink thing. I couldn't sort of pinpoint why all this ... it is a situation where it looks as though there has really been overall no winners in one sense. People don't have ... I mean public transport, I hope it is going to improve still further, but, at the moment we ... I don't really think there is much more I can say. I think I have said ... Hindsight, when you look at things, you step back out of the picture and, after having a look at it, maybe you ... the problem with hindsight though is that often the memory for the detail, of ... you do need the minutes.

MR SHEPHEARD: It is difficult to see what is happening when the bullets are flying around, that is quite true.

DEPUTY SCOTT WARREN: Exactly, yes.

MR SHEPHEARD: Yes, Mr Blackstone?

MR BLACKSTONE: Just to go back on a couple of things, a couple of the replies you gave to

our President, you said you were surprised to learn that Mr Griffiths had no accounting qualifications.

Would you be even more surprised to hear that, when he took on this assignment, he explained that it was on the understanding that he had no knowledge of law or of transportation?

DEPUTY SCOTT WARREN: Well, I am surprised to hear that. I mean, I can't obviously verify what was told to us at the time because I don't remember what was told to us at the time, but obviously one wonders then ... my obvious question is why was he taken on to advise? I mean, that is the major question.

MR BLACKSTONE: We also, in questioning Mr Griffiths last week, found that his accounting experience was limited to one year as a trainee. That is not a great deal.

DEPUTY SCOTT WARREN: No, no.

MR BLACKSTONE: Am I right in thinking that the Public Services Committee relied very heavily on the evidence which he gave?

DEPUTY SCOTT WARREN: Personally, I would say yes, that was probably a big factor. Yes, I think the answer is yes.

MR BLACKSTONE: In retrospect, that might not have been a wise thing to do if he didn't know what he was talking about.

DEPUTY SCOTT WARREN: Well, I would agree with you.

MR BLACKSTONE: Now, the final offer meeting which was held in July 2001, which was attended by certain States Members.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: You made a statement which I am not quite clear about, about the Committee being invited. Were all the Members of the Public Services Committee invited to that meeting?

DEPUTY SCOTT WARREN: I believe the Committee ... I don't say that they were all there, but I believe they probably were all invited to it.

MR BLACKSTONE: Were you invited?

DEPUTY SCOTT WARREN: I was there. Yes, I was there.

MR BLACKSTONE: I am not sure about that.

DEPUTY SCOTT WARREN: I was certainly ----

MR BLACKSTONE: We may be talking at cross purposes. May I just check?

DEPUTY SCOTT WARREN: Um, I was certainly at the one earlier in the week. I remember the one earlier in the week where it was gone through. Whether there were any subsequently that I didn't attend, I did, but I did ... I mean, I think ... I'm not sure. You may know if there were ones that the Committee weren't at.

MR BLACKSTONE: The meeting that I am talking about is that one held on 28th July, which was a Saturday.

DEPUTY SCOTT WARREN: I wasn't at the Saturday meeting.

MR BLACKSTONE: Attended by Senator Le Sueur, Senator Le Claire, Deputy Dorey and Deputy Crespel.

DEPUTY SCOTT WARREN: No, I wasn't at that one.

MR BLACKSTONE: Who all tried to organise a rapport between Jersey Bus and the Public Services Committee ----

DEPUTY SCOTT WARREN: Yeah.

MR BLACKSTONE: ---- which was pretty fraught at that stage.

DEPUTY SCOTT WARREN: I don't ... I mean, I don't ... I think that obviously I presume the President was obviously invited to that meeting and refused to go, I believe ----

MR BLACKSTONE: Yes.

DEPUTY SCOTT WARREN: ---- but I don't know if any of the other Committee Members were invited or not. I mean, it is very difficult for the Committee to have gone along anyway if the President of the Committee isn't going to go. If he is not going to attend, it was a decision really for him.

MR BLACKSTONE: Yes, in view of the fraught situation which eventually virtually ended with the bus service being withdrawn, do you not think that the President shouldn't have given a sympathetic hearing by this attempt by other States Members to negotiate a settlement?

DEPUTY SCOTT WARREN: Um, I can only say at the time, when I ... I mean, it is difficult because you do ... as a Committee Member you should support your President. Had he gone

along on the Saturday, I believe I would have been quite happy for him to have done that and to ...
because there was obviously the situation where it was not ... it was going to be final, in that the
President had decided that that was it ----

MR BLACKSTONE: The President had decided that that was it, had he?

DEPUTY SCOTT WARREN: Well, I think that the ... you know that the deadline was 12
noon. Now, I mean he went public to say, I believe, that he wouldn't go, that he wasn't going to
be at that Saturday meeting. I mean, I think you have to weigh up the balance of the Committee
being loyal to the President or resigning basically. It did look as though no agreement was going
to happen with Jersey, but I understanding the sticking factors -- and I must be honest, I have
been through this yesterday, so I might be more clear on this than most of the rest -- was that the
Tantivy accounts which the final statement wanted to have as much access to see there was no
cross-subsidising from Tantivy across the different companies and this situation with the school
bus service and the scheduled bus service. I can't say, because we are now talking history,
whether anything further could have been done. We will never know that now.

MR BLACKSTONE: No. No, there is quite a lot of detail there, particularly on the accounting
field, which I won't bother you with.

DEPUTY SCOTT WARREN: But I can tell you that the final offer that week ... I mean, if we
had come to a solution, I would have been quite happy about it. If we had met that solution with
Jersey Bus that week, I would have been quite happy.

MR BLACKSTONE: You made reference to loyalty to the Committee Chairman because you
were working together. Were there dissenting views on the Committee as to whether you should
continue to negotiate with Jersey Bus?

DEPUTY SCOTT WARREN: Um, well, Deputy Martin had resigned, I think, before that final
offer week. She resigned. I believe the reason that she resigned from the Committee ----

MR BLACKSTONE: No, it was 9th October that she resigned. It was afterwards.

DEPUTY SCOTT WARREN: Yes, she resigned because her husband was a strong union man
and I think she felt that she ... I believe that was probably why, but you would have to ask her. I
think there were ... As is natural on a Committee, there were maybe some more enthusiastic for

competitive tendering and some more happy to have a last, final go at getting a settlement, but it has to be said that we all did go into that final offer, the President and the Committee, and when I looked through the documents yesterday, it does appear that it was fairly close. The one sticking point seemed to be the buses for the children and the scheduled bus service and the wording really and Tantivy and the accounts being looked at.

MR BLACKSTONE: Earlier on you made a comment about President Crowcroft acting on his own to cancel the Hoppa agreement.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: Did he often act on his own without Committee consent or approval or discussion?

DEPUTY SCOTT WARREN: I think he learned from ... I think he did learn from that. I mean, because he was ... I mean, I think the Bus Strategy, he was enthusiastic. I mean, he became enthusiastic for that document. Um, I mean, when he acted on his own in saying he wasn't going to go on the Saturday to that meeting, I think that was perhaps a decision that a President has to make really. I think it was a different matter when you are going back and reneging on an agreement that you have had with, say, Mr Eden and you just say "Sorry, we are going back on it" and the Committee don't know. I think that is a different circumstance. So, I would say, no, he didn't really.

MR BLACKSTONE: In response to a question by our President, you did say that you had no knowledge of the Committee negotiating with Halcrow back in 2000, a year before the Bus Strategy.

DEPUTY SCOTT WARREN: I don't recall it, but unless we can check the minutes to see if we were told that, because the amount of information and being on so many Committees, I would not like to put my hand on the Bible and say "We were not told" because I just don't remember it, but we might have been told. So I cannot be clear on that.

MR BLACKSTONE: There is nothing in the minutes, no.

DEPUTY SCOTT WARREN: No. I just don't know. I am sorry, I don't know the answer to that.

MR BLACKSTONE: Were you also aware that before this crucial week in July 2001 the President had already approached a UK bus company to perhaps provide an alternate service?

DEPUTY SCOTT WARREN: Sorry, can you repeat that? Before?

MR BLACKSTONE: Before the crunch week, the final offer week, 16th July 2001 about, were you aware that the President had already approached a UK bus company before that time?

DEPUTY SCOTT WARREN: I don't know the date, but we had a meeting and I presume it was at that time. It was obviously in the summer. We had a meeting when Jersey Bus put in an application for a licence for five years, I believe, and stipulated -- I presume it was that time -- the amounts that they would want for their other services. We had a meeting, high powered. There was a high powered meeting with Deputy Dubras, Pierre Horsfall, I believe, and others, where there were ... now, I don't know if this was actually the same time, where there was a discussion of the emergency of having to bring in ... if Jersey Bus didn't operate, to bring in, I think, Southern Vectis were talked about.

MR BLACKSTONE: Yes.

DEPUTY SCOTT WARREN: Now, is that the actual meeting that?

MR BLACKSTONE: Hmm hmm.

DEPUTY SCOTT WARREN: But I can't relate the date of that to the final offer, I'm afraid, because time doesn't help.

MR BLACKSTONE: Right. Going on to the Bus Strategy Support Group -- is that the right name?

MR GARRETT: Steering Group.

MR BLACKSTONE: Steering Group. You had regular meetings?

DEPUTY SCOTT WARREN: Again, I can't ... I mean, only ... I presume they were minuted. I can't remember how often they were. I wouldn't, because there were so many ... Public Services met every fortnight. Um, I can't tell you. I can't remember that. I am sorry.

MR BLACKSTONE: You say you presume they were minuted. We haven't seen any minutes yet. Do you know whether they were minuted or not?

DEPUTY SCOTT WARREN: I think I may have something in **here**. I am not sure if it was

the Steering Group. I brought the ... **(Pause)** You have probably got that, haven't you, the chronology of events. Have you got that document? But the Steering Group, I am not sure I have got anything. No, here we are. **This** is a Bus Strategy Steering Group for Wednesday 12th September, but it is only just the one. This is ... I mean, if you wanted to keep any of this, please excuse any scribblings that are in it, but they might be useful to you though. I will see if there is anything else in here.

MR BLACKSTONE: We have seen quite a lot of this documentation.

DEPUTY SCOTT WARREN: Yes, I thought you might well have it.

MR BLACKSTONE: Yes. The terms of reference of the group did say that minutes will be kept and will be copied to the Public Services Committee. You have received a few, but I don't think by any means all.

DEPUTY SCOTT WARREN: No.

MR BLACKSTONE: Now, the "beauty contest", if you will excuse the expression, of the three finalists.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: You listened to their presentations.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: And then did the Steering Group meet after that?

DEPUTY SCOTT WARREN: After?

MR BLACKSTONE: Yes.

DEPUTY SCOTT WARREN: Well, after they left, we all stayed on to discuss what should happen.

MR BLACKSTONE: Yes.

DEPUTY SCOTT WARREN: I think the feeling was that the Connex ... that the financial ... and obviously we were still getting ... I think it was Roger Childs, or certainly somebody from Halcrow was there -- I think it was him who was there -- but the feeling was that the Connex proposals were the best that were on the table.

MR BLACKSTONE: So the Steering Group as at that date, 15th March, agreed that Connex

should be appointed as the preferred operator?

DEPUTY SCOTT WARREN: There was ... I don't know if this decision was ... why I am hesitating is whether, because there were various reasons why ... I believe it was this, but a decision could not be made public on it for several weeks -- I believe for two weeks. So in fact it was discussed but no decision was actually legitimised, I believe I am right in saying, till two weeks later. But it was certainly decided that the bid by Connex was the best on the table. This was ... Certainly the Halcrow ... I believe that the Halcrow ... it is very hard going back on this time to ... and, obviously, if you speak to them, you are going to get it more clearly from them, but they thought that the Dunn-Line bid was all right as well, but the Halcrow ... sorry, the Connex one was the one. But overall the whole meeting thought the Connex one was the better one.

MR BLACKSTONE: I realise memory is very difficult and obviously we are speaking to a lot of people and we will get some conflicting memories, that is accepted, because it is three years ago.

DEPUTY SCOTT WARREN: Yeah, I mean, to be totally ... I think there was a reason why the decision could not be made public and, therefore, for two weeks or so, although the Committee favoured Connex, they weren't able to say what had happened for two weeks. There was a reason for that, but I can't remember what the reason was.

MR BLACKSTONE: Anyway, after the beauty contest, you all sat down and considered the proposal and decided that Connex was the best?

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: And that they should therefore be appointed as the preferred operator?

DEPUTY SCOTT WARREN: You will have to discuss it with F&E. It went to Finance and Economics, yes, but it wasn't allowed to be formally decided then.

MR BLACKSTONE: Did the Bus Steering Group meeting again between that beauty contest meeting and 1st May when the announcement was made public?

DEPUTY SCOTT WARREN: Again, I can't remember, but I do remember clearly speaking with Finance and Economics, where Finance and Economics were extremely enthusiastic to

support ... to support the competitive ... a bus operator, finding ways to incentivise the operator and they sort of signed up morally to support the company because it was a seven year contract. They signed up morally to support them in the early years and find ways to increase ridership and it was all ... although it was a very brief meeting -- it probably wasn't even a half an hour meeting -- it was enthusiastically endorsed, I think isn't too strong, by Finance and Economics.

MR BLACKSTONE: This was before the announcement was made public on 1st May?

DEPUTY SCOTT WARREN: I don't ... I can't totally be sure about the Finance and Economics meeting and the public. I don't know. It may have been, but I can't ... you see, because I'm not there, I can't tell you for sure.

MR BLACKSTONE: This is quite critical actually because you are right, the beauty contest was on 15th March and there were reasons why the decision could not be taken until 1st May.

DEPUTY SCOTT WARREN: That's right.

MR BLACKSTONE: You are now telling us in fact that the decision was made following the beauty contest, but it just couldn't be made public.

DEPUTY SCOTT WARREN: I am telling you that, yes.

MR BLACKSTONE: Thank you.

DEPUTY SCOTT WARREN: And the F&E meeting was certainly not a long time after. It may have been before it was made public, but I can't verify that for sure.

MR BLACKSTONE: It was in fact 15th March to 1st May, about six weeks, yes.

DEPUTY SCOTT WARREN: Right.

MR BLACKSTONE: That is all I am recapping. I am afraid I would like to start again from the beginning.

DEPUTY SCOTT WARREN: That's all right.

MR BLACKSTONE: Going back to the Hoppa meeting, there was a conciliation meeting at that stage because, again, it was a pretty fraught time and the bus drivers were on strike. There was a conciliation meeting chaired by Senator Le Sueur, at which Deputy Crowcroft was also present, representatives of the union, Jersey Bus and, subsequent to that, the Public Services Committee met on 4th August 2000. One of the conclusions they reached, the preamble is "*Having*

considering the position, the Committee decided to agree the proposed package as follows” and item (b) states “A three to five year agreement will be made between the Public Services Committee and Jersey Bus. This would initially be covered by a memorandum of agreement to be made available by the end of September 2000, which would be subsequently covered by a formal service level agreement to be made available by about the end of March 2001. It was accepted by all parties involved that there might be competitive tendering for such services after the initial three to five year period.” Is that fairly clear?

DEPUTY SCOTT WARREN: Yes. Can I just ask, did you say that was August 2000 that this ...

MR BLACKSTONE: Yes, this was the Public Services Committee of 4th August 2000.

DEPUTY SCOTT WARREN: I think this ties in with the discussions with Chris Lewis and his brother Mark and some Committee Members.

MR BLACKSTONE: But this is an undertaking, as I see it, that there won't be any tendering for three to five years and that Jersey Bus would be given a three year agreement.

DEPUTY SCOTT WARREN: Well, it certainly is minuted. That is what was discussed at this meeting and I see what you are saying, the Committee gave that ----

MR BLACKSTONE: “... *decided to agree the proposed package as follows.*” It was not discussed it was agreed. Does it surprise you that, less than a year later, the Public Services Committee of which you were a Member reneged totally on that agreement with Jersey Bus and started the competitive tendering process?

DEPUTY SCOTT WARREN: I think that the ... I mean, I see the moral issues there and certainly I do, as I must state again, I do believe that when Jersey Bus went to that meeting I have described, it was going well that meeting. There was ... Well, obviously from that minute that you have just read out, that was what was going to happen. I think what has happened in the meantime between that recorded minute and the competitive tendering was -- correct me if I am wrong -- the advice from Mr Griffiths and I may be ----

MR BLACKSTONE: Who was unqualified.

DEPUTY SCOTT WARREN: The fact that there were issues that were brought to the

Committee about the cost of school buses, various issues that seemed to be throwing up problems, but obviously the financial concerns were a major one for the Committee.

MR BLACKSTONE: Issues are one thing ----

DEPUTY SCOTT WARREN: I see what you're saying.

MR BLACKSTONE: ---- but a firm agreement to a Jersey commercial company that you promise X and then renege on it, is that either honourable or honest?

DEPUTY SCOTT WARREN: Well, no. I see what you are saying, but, I mean, had the final agreement -- that final offer rather -- of that date been done successfully, the Committee wouldn't have reneged, would they, but I do see what you are saying: the Committee have reneged on this agreement.

MR BLACKSTONE: It makes two promises, one for a memorandum of agreement in September and the other a service level agreement by the following March. To your knowledge, were any of those ----

DEPUTY SCOTT WARREN: Sorry, could you repeat the first one was?

MR BLACKSTONE: A memorandum of agreement, which is a fairly short document confirming basically this, I assume ----

DEPUTY SCOTT WARREN: Yes, yes.

MR BLACKSTONE: ---- to be completed by September 2000 and a service level agreement, which is a fairly lengthy and detailed document, by March 2001.

DEPUTY SCOTT WARREN: Yes, yes.

MR BLACKSTONE: Were you aware that any progress was made on either of these promises?

DEPUTY SCOTT WARREN: Um, the service level agreement was certainly gone through. At the meeting I keep describing, where we met with Mark Lewis, I believe that was part of the initial ... and I believe it was a three to five year contract that was discussed then, so, um ...

MR BLACKSTONE: But it was never finalised to your knowledge?

DEPUTY SCOTT WARREN: Um, I don't believe that they ... I am trying to think because I know that the second one you said, was that was the service level agreement?

MR BLACKSTONE: It is basically all part of the same thing. The memorandum of agreement

is merely a simple short thing that can be produced quickly.

DEPUTY SCOTT WARREN: Yes, I know what you meant, but the next one was the?

MR BLACKSTONE: Service level agreement.

DEPUTY SCOTT WARREN: Service level agreement.

MR BLACKSTONE: We have seen lots of talk about it, but we have never seen the document.

DEPUTY SCOTT WARREN: No, I don't believe it can have been. I am sorry to be woolly on this again, but it is way back in time. But, one of the things that dominated the Committee discussions, I would say, were concerns about -- and Public Services was not a well funded Committee even then -- concerns about the cost of the bus for children particularly, school children, and the financial viability really of Jersey Bus and the financial side, I would say, was put.

MR BLACKSTONE: So many doubts have been expressed about the financial viability of Jersey Bus and their accounting procedures and all the rest.

DEPUTY SCOTT WARREN: Yeah, and the number of passengers and because it wasn't ----

MR BLACKSTONE: No, I am talking about accounts, not routing.

DEPUTY SCOTT WARREN: No, sorry, but when I was talking about passengers, you know, so many travel free, concessionary, and it was hard to know. We were told that it was hard to know the exact number of passengers travelling, but, as I say, I must be fair, I did see the accounts were made ... they were ... a quite detailed breakdown of the financial thing was given to the Steering Group. That would have been, I presume, the Bus Steering Group, so only a few people that saw that.

MR BLACKSTONE: And, of course, Jersey Bus had had its accounts audited. JMT 1987 Limited had had audited accounts since as far back as we care to check.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: And they always had a clear audit report.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: So the professional opinion as to their accounts was that they were okay.

DEPUTY SCOTT WARREN: Yes. The other thing that was obviously in the final offer was

the other criticism -- well, not criticism, but crucial aspect -- was this possible cross-subsidisation with Tantivy Blue Coach. From what I read yesterday, I understand the concern was that Jersey Bus did not want Tantivy not to have any of the school buses because it would have affected that company.

MR BLACKSTONE: What do you call a cross fertilisation exactly?

DEPUTY SCOTT WARREN: Well, I believe -- not fertilisation, cross-subsidised like from the fear that one company is maybe supporting the other when you have got both companies under the same umbrella of Diamond Jersey, both within Diamond Jersey. That seemed to be a ----

MR BLACKSTONE: But the school bus service was fixed price contracts. It was nothing to do with accounting detail. Accounting detail was the public bus service.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: Yes. So we are talking at cross purposes slightly.

DEPUTY SCOTT WARREN: Sorry, I am sorry, yes.

MR BLACKSTONE: Let us move on to a year later to the horror of horrors week when it all fell apart.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: I did refer previously to a meeting held by Senators Le Sueur and Le Claire and Deputies Dorey and Crespel with Jersey Bus and TGWU.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: They said in their letter to States Members, with which I will remind you:

“Most of the PSC’s document has been reproduced unchanged. The group hope (a) that the resultant draft represents an agreement which no reasonable person would reject out of hand, and (b) even at this late stage, PSC would be willing to meet in order to clear up any remaining differences. Members of the group will certainly make themselves available for a meeting at any time.” Can I concentrate on the wording “no reasonable person would reject out of hand”.

What did the Public Services Committee proceed to do?

DEPUTY SCOTT WARREN: Well, I mean, they ... um, Simon ----

MR BLACKSTONE: They rejected it out of hand.

DEPUTY SCOTT WARREN: Yes, the Bus Strategy which was tabled to be debated was debated and, I believe, that what happened ... I do think that it was ... I have gone through these documents yesterday, the actual wording of that, and I do agree that there was not a huge difference. I have to say that I think the enthusiasm to debate the Bus Strategy, particularly by the President of the Committee, and other members, but speaking personally had Simon Crowcroft gone to talk to Chris Lewis, I mean, I can only tell you that the last week when we had Chris Lewis came to the Committee for that final offer, if it could have all gone well and we could have had the 90 days of talks, I would have personally ... I wasn't signed up particularly to have to have competitive tendering. I mean, if it had gone well, I would have been quite happy about that.

MR BLACKSTONE: But you said your President was all set to debate his Bus Strategy that he had formulated presumably or was the prime mover behind. Therefore, he was not prepared to have any further discussion with Jersey Bus regardless.

DEPUTY SCOTT WARREN: I think that probably he thought he had give them the Monday to the Friday and, I mean, I feel ... he needs to tell you what, but my impression is that he thought he had given them five days. It is take it or leave it, because there have been ... there have been sort of various ... I think because of the problems over contracts and money issues and things that had gone over the Committee, he thought, I presume, that they had got the five days there to decide it and I suppose, looking at it the other way, I think the Committee could have only have asked for things to have been seen that were reasonable on the Tantivy side. The differences were close and he obviously thought "That's it, cut off", but ----

MR BLACKSTONE: Are you aware that there was a legal position on which advice was taken by Deputy Crowcroft, that if negotiations were still going on with Jersey Bus, the Bus Strategy could not be put before the States?

DEPUTY SCOTT WARREN: Yes, I think I did. I would have realised that, yes.

MR BLACKSTONE: Therefore ----

DEPUTY SCOTT WARREN: Would that have been the case just for the Saturday?

MR BLACKSTONE: No, that would be the case when the Bus Strategy came up for decision.

DEPUTY SCOTT WARREN: What I meant is though that if the Saturday had failed, the Saturday issue, then it would have been able to be debated, but, yes, I would have realised that it would have to have been temporarily withdrawn if the Committee negotiations went on.

MR BLACKSTONE: And, as the President mentioned, we have clear evidence that somebody had approached Halcrow at least a year before the Bus Strategy was put before the States and Halcrow produced a detailed document setting out the process of tendering as far back as June of the year 2000, of which you said you were not aware.

DEPUTY SCOTT WARREN: I certainly ... You know, I mean, I wouldn't like to swear 100% that this was kept from the Committee. That is because it is so long ago, but didn't ... I can't tell you that I knew that until you mentioned it now. But, on the other hand, if I said to you that it was obviously done underhand and then it may not have been and it may be that we were told, we found out about competitive tendering, a remark could even have been made, so I wouldn't like to 100% say to you that we weren't told. I don't remember it, but that doesn't necessarily mean that we weren't told, but ... **(Pause)** Do you ... I mean, obviously you may not want to tell me, but would it have been an Officer who ... I mean, because that is crucial to who actually found out, who actually initiated it?

MR BLACKSTONE: We shall be asking. We haven't reached that stage yet.

DEPUTY SCOTT WARREN: No. I mean, I'm worried in case I said to you ... I mean, obviously it was kept from us and if I said that and it wasn't because memory and things, so I can't tell you 100% that was definitely the case.

MR BLACKSTONE: Again, obviously, memory ----

DEPUTY SCOTT WARREN: I wouldn't like to ... that is a while back.

MR BLACKSTONE: My memory of three years ago is pretty poor.

DEPUTY SCOTT WARREN: And that's what I'm worried about. I wouldn't like to misinform you.

MR BLACKSTONE: But if that had been true, it might have created the impression that whoever approached Halcrow back in 2000 was hell bent on the tendering process even though the Bus Strategy didn't come before the States until a year later.

DEPUTY SCOTT WARREN: Well, it certainly looks as though there was an interest ... well, there must have been at least an interest, yes, but, depending on who approached them ----

MR BLACKSTONE: If that existed at that stage, then ongoing negotiations with Jersey Bus were little more than a farce.

DEPUTY SCOTT WARREN: Well, it certainly is an inference that if ... I would say that, depending on who actually approached them and who asked to be approached, I mean, it does raise a question mark, as you say.

MR BLACKSTONE: It does indeed, yes. Thank you. I think you mentioned earlier that you had received a copy of an email which Jerry Dorey sent to the Committee today.

DEPUTY SCOTT WARREN: He wanted me to see it and I was a bit actually, a bit surprised really. I asked him, as I say, "Did you ask me in the States", because I imagined if he had rung me at home or talked to me and he said "No, it was while we were sitting in the States." **(Pause)** I think the one thing that came over and probably did influence me as a ... I think the Committee, certainly I would have been somewhat influenced ... I have never considered myself anti-Jersey Bus, but I may well have been influenced by financial concerns.

MR BLACKSTONE: Expressed by Mr Griffiths?

DEPUTY SCOTT WARREN: Yes, and obviously ... yeah, he ... I think ... I don't know if I met him.

MR BLACKSTONE: We have met him this last week.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: The Committee relied heavily on his advice from everything we have seen.

DEPUTY SCOTT WARREN: Yes. **(Pause)** Also, I mean, we were told, and this was probably an influence, about the costs, the high costs, of the school bus service. On the other hand, I have to look at it, especially standing back, but even at the time that Jersey Bus were only given a one year contract, so it is very hard and I would say that Mr Lewis showed great enthusiasm at the Bus Users' Forum for including, you know, like low floor buses and things like this, which, if you have only got a one year contract, you are not going to put the money in.

You are not going to ... you can't spend the money not knowing if you ... but I think there was an influence about financial ... um, that because it was a monopoly situation with Jersey Bus, that we were having to pay higher than we should have been. I think this message came across at the Committee meetings, like the £76 that was mentioned by Simon Crowcroft, which I understand was £76.60, but it wasn't just for an hour. But various things and also the fact that Tantivy ... and I only say that because it is still a factor that if you are trying to incentivise a bus company to do more routes, to do more ... the various different, say, more frequency on the routes or whatever, if you have got another sister company that will pick up and get money -- maybe at different rates and higher rates possibly for tourists and people, although I'm not saying it was higher -- is there then the incentive for the bus company when they have got another coach company under their ... and this sort of ... obviously I think, as I say, the relationship between Chris Lewis and Simon Crowcroft wasn't 100% and was not ... I think that probably there was a lack of trust between them.

MR BLACKSTONE: I won't go into this email in detail or give you the joy of reading it out, but I think the word "*vitriolic*" comes into it, which is fairly strong stuff.

DEPUTY SCOTT WARREN: I might not have seen that. I mean, I don't think that ... is that the email that he has just sent?

MR BLACKSTONE: That Jerry Dorey just sent to you.

DEPUTY SCOTT WARREN: Yes, because, I mean, I certainly don't believe I have been vitriolic. I think ----

MR BLACKSTONE: Anyway, that is ----

DEPUTY SCOTT WARREN: Can I just say that I think the Committee did feel that they had no choice but to pay the money to Jersey Bus for the school contracts and everything else, but nevertheless and obviously the finance thing did have a lot of weight, but nonetheless, and this is personally, and I'm only speaking personally to the Committee, if the final offer had been acceptable to Jersey Bus that last week, I would not have ... I certainly wouldn't have minded. I didn't have a major mega thing that you had to have competitive tendering. I wasn't, you know, because I have seen the personalities involved throughout for several years.

MR BLACKSTONE: Part of our brief and our terms of reference is to establish the attitudes of the parties leading up to the tender process. I think you have to agree that, on the part of the Public Services Committee, there was distrust of Jersey Bus either from an accounting viewpoint or “oh they’re making loads of money” viewpoint or something like that?

DEPUTY SCOTT WARREN: Certainly, yes, I think there was. Yes, I would say that is accurate.

MR BLACKSTONE: Now, we come to the final assessment by Halcrow, which was presented to you and other Members of the Bus Steering Group. They commented on Jersey Bus “*We are not however convinced that the spirit of co-operation that is essential to the development of the successful partnership arrangement exists or is possible between the parties.*” Now, I very much doubt if Jersey Bus told Halcrow “But we can’t get on with the so and so’s on the Public Services Committee”. It wouldn’t have been in their interests.

DEPUTY SCOTT WARREN: No.

MR BLACKSTONE: Therefore, it seems that Halcrow were influenced from what they heard either from PSD or PSC and I maintain that that expression of opinion has no place in a factual assessment of tenders. Do you agree with me?

DEPUTY SCOTT WARREN: I agree with you that that in a ... that a tender process should be based really on the delivery of the services and the costs and not really anything else.

MR BLACKSTONE: Thank you. I have no further questions.

MR SHEPHEARD: Mr Garrett?

MR GARRETT: I have two very brief questions. You made reference in response to earlier questions about the integration of the bus service with the public bus service.

DEPUTY SCOTT WARREN: Yes.

MR GARRETT: That issue has still not been resolved.

DEPUTY SCOTT WARREN: No.

MR GARRETT: And really was not within the remit of Jersey Bus to resolve that matter, because, as I understand it, consideration has to be given to the views of Education, because it is dependent on some changes to school start times. So why should it have been a significant

factor in your deliberations of several years ago?

DEPUTY SCOTT WARREN: I believed it was because when I went through this final offer yesterday, I think it was -- I have got it here -- I think it was the word “*entire*” school service was wanting to be subject ... if I can find the final offer here. I think the feeling was ... and I understand that Jersey Bus were concerned to not have extra buses put on to scheduled services if they were using them for the school children, well, if the school children were on the same buses, but the feeling was that we were paying vastly over the odds because we were having this separation out, which apparently I don’t think Education had anything to do with. I think they had left it. I think Public Services had taken over. I think it was Public Services only involved and not Education in this. I agree, it sounds a bit odd, but I believe I am right in saying that. So in other words, if you could get as many children on to the scheduled services, the costs would significantly reduce for operating the services, and that is why I think the Public Services Department and then the Committee made that quite important.

MR GARRETT: The problem is that there is a clash, isn’t there, between the peak time demand for the public bus service and the provision of the school bus service, so it is not going to be that easy to integrate the two together.

DEPUTY SCOTT WARREN: No, it isn’t.

MR GARRETT: Now, in fact, when Guy De Faye brought the matter back to the States a matter of weeks ago, it didn’t receive a favourable response from Mr Vibert; is that correct?

DEPUTY SCOTT WARREN: I don’t think I was at that meeting. Was it question time?

MR GARRETT: It was question time, I think.

DEPUTY SCOTT WARREN: Well, obviously you have got ... I can’t actually ... I don’t know if I was actually ... I can’t actually remember that exchange.

MR GARRETT: The point is that it wasn’t that easy to resolve.

DEPUTY SCOTT WARREN: No, I don’t think it is and obviously, looking at it now, it is something that could have been gone into in further discussions between the Committee.

MR GARRETT: Possibly there was an unrealistic demand being made of Jersey Bus really.

DEPUTY SCOTT WARREN: Um, it could have been negotiated further. It probably wasn’t

... it was that, I assumed, that and the other one was the Tantivy accounts, with the openness of those.

They were the things. They seemed to be the two sticking points. I think really, in a sense that could have been talked, as I say, about how you operated a more effective bus service to include the school bus service could have been opened within that 90 days of discussion. I think the actual final offer, it is the fact that there was this "Sign up by Friday" and the two sides obviously didn't meet enough or, if they did, they couldn't be in agreement. But I suspect that the past history may have been a ... I mean, I do see ... I think the point that we were always told, or were told on successive Committee meetings, was really that we were paying ... for a Committee that hadn't got a lot of funds, we were paying a lot more than we needed to with regard to the children's bus.

MR GARRETT: Who kept telling you that?

DEPUTY SCOTT WARREN: Um, well, I think the Officers were concerned about the cost of the school children. Regarding ... I am not sure when Mike Collier came to work at Public Services, whether he was ... whether he was there by that point, but we were told definitely before I left Public Services that integrating would be so much better to get the children on to the scheduled routes wherever possible, and this seemed to be ... this was obviously an aim that was at odds with Jersey Bus' aims, but, as you say, it wasn't ... I mean, obviously future discussions can ...

MR GARRETT: I do think it is a discussion that was outside of the scope of Jersey Bus. I think it was something that had to be addressed between Public Services and Education. I don't think it was a bus service issue at all, because I accept there was a clash between peak demand for public transport, for the public bus service, and the school service.

DEPUTY SCOTT WARREN: I think I am right in saying though that Education didn't seem to be ... as long as the buses got them there at the right times, I mean, they didn't seem to have ... it didn't seem to be their remit. You know, as a sideline, I think, particularly in Committees and ----

MR GARRETT: Certainly there is no indication from what I have heard from Education that they would be prepared to change their school start times to achieve this.

DEPUTY SCOTT WARREN: No, no, we tried that. I think that was tried. I think that was tried to see if they would.

MR GARRETT: Moving on to the presentations that you attended, the final three, you described the presentation of Connex as a slick operation, slick presentation, sort of glossy brochure type situation. How much do you think that affected the decision making process?

DEPUTY SCOTT WARREN: Um, I mean, it was an extremely positive presentation, but I would say that the background ... it is one of these problems really that we have all discussed regarding the Jersey Bus and the PSD Committee and Department, how much the past affects, because obviously Halcrow, I believe, probably expected us to take on a new ... I shouldn't put words into Halcrow's mouth, but the fact that we were having the competitive tender, they did ... as I said before, they did advise ... they thought Connex was a reasonably good one to go for. I don't want to put words that aren't correct, but ... and the past situation and the past areas of difference of opinion obviously did ... that must have affected to some extent how the future went, you know, how the decision was made.

MR GARRETT: You described the sort of added value options that Connex brought forwards to that meeting, indicating, implying, inferring or whatever that they would be able to put on services to deliver people to hospitals and so forth.

DEPUTY SCOTT WARREN: Yeah, minibuses.

MR GARRETT: Minibuses.

DEPUTY SCOTT WARREN: But they ... no, sorry.

MR GARRETT: How much did that affect the thinking or the thought processes that were in play at that time? Do you think that enhanced their bid and people got caught up with the idea that they were going to get a phenomenal service?

DEPUTY SCOTT WARREN: I think they gave ... I was going to say an A1 presentation and the keenness and, you know, they were going to ... obviously it was some years back and I can't tell you exactly what they said, but it was an extremely powerful presentation. **(Pause)** But I didn't go into the meeting with any prejudged thing of who would get ... who would get it.

MR GARRETT: But if somebody in that meeting is offering you the world?

DEPUTY SCOTT WARREN: Well, I mean, obviously a good presentation does often sway people, but it was also what we were being told about the financial side. You know, I mean, if they had said to us or if we had been advised that “Great, this is Connex, yeah, wonderful presentation, but their finances are terrible”, we would not ... you know, I think it was overall advice that we were getting that was ... **(Pause)** it was advice. It was the fact that things had not gone smoothly -- well, to put it mildly, hadn't gone smoothly -- between Jersey Bus and the Public Services Committee and obviously it was known, and I know they are not ... Connex were known to be operators across Europe and they did give an extremely ... I mean, they did give an extremely good presentation. We did know as well, I think a big factor was that we did know that the Jersey Bus staff would be taken on. It wasn't as though we were shutting down and the staff were going to be redundant. I think that was a factor as well, that the staff would be definitely looked after by the new company.

MR GARRETT: Did anybody spend time cutting through the hype and actually getting to the bones of it, or really did the hype rule the day?

DEPUTY SCOTT WARREN: Well, I wouldn't say the hype ruled the day. I think the thing is that Halcrow being there, we assumed that Halcrow were doing the work to see that what was being said was ... and all the background and particularly financially obviously, but all the background, that the companies were okay, above board in the sense of whether decisions were being made on sound grounds. I think, I mean, so there was ...

You know, this is where I do find it odd to be here today, having employed a company and, as you say, a financial adviser, to be in this situation here today at an Inquiry, when surely these people were employed so that errors weren't ... and I do appreciate that obviously it isn't just about ... it is the whole Committee from, you know, that is being looked at as well. But nonetheless you are employing people, these consultants, at not cheap money in order that things go smooth, go well and the States, especially the States particularly as regards the shift allowance type thing, should not have happened. Surely that should have been picked up on before the presentation or at the presentation by Halcrow.

MR GARRETT: Okay. Thank you.

MR BLACKSTONE: Of all these wonderful promises made at the Beauty Contest -- buses on demand, hospital buses, minibuses -- how many are in place today?

DEPUTY SCOTT WARREN: I think one thing I haven't mentioned is I think the low floor buses was ----

MR BLACKSTONE: But that was a condition for all tenderers.

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: I am talking about the extra services which Connex promised. None?

DEPUTY SCOTT WARREN: My understanding ... to be honest, I'm not 100% sure on this, but I believe that maybe one of the problems in this -- again Halcrow should have seen this -- is that the incentive side, because the main thing is you have a competitive tender and an incentive should be there for an operator to improve the service and keep some of that for themselves, but also, if they know they are going to get the money from the Government whatever the service is like, this side, again, I believe Halcrow and maybe the Officers at Public Services, but certainly that side, I would say, yes, we got the low floor buses and I know the criticism is that they are a bit small, but they did get the low ... as you say, all of them would have done that.

Obviously we have had the situation after with Easylink, which I now know obviously that Easylink has its place alongside and the actual two bus companies, but the first year obviously profits were taken from Connex, from the Easylink operation the year before last. So we have ended up in a really, really odd situation of having awarded a competitive tender and still having the original bus company as well, which is ...

MR BLACKSTONE: Apart from the new buses, which all the tenderers were going to offer, we really have nothing better than we had before, have we, because services are being cut from the previous services. The promised services at the Beauty Contest have not been introduced. It is a pretty horrible situation today, isn't it?

DEPUTY SCOTT WARREN: Well, I would say that ... this is why I mentioned to you about the Finance and Economics Committee is that it wasn't appreciated, when Connex were awarded the tender, that you can't reverse bus travel and suddenly get everybody because obviously of lack of tourists as well. You can't suddenly expect buses to increase their ridership overnight.

So it was very important that Finance and Economics, who had given great enthusiasm verbally, kept to the fact that certain investment was going to be needed, certainly for the first three or so years, three or more years. I mean, we often hear comparisons with Guernsey with regarding the buses, but I understand that the Guernsey Government put about three million into their bus service. Certainly I believe they put that in. I don't know the exact figures, but they certainly put a lot of money into their Guernsey bus service. I mean, there is another issue here, that if a government awards a competitive tender, yes, there should be incentives to the company, but they also do have to know that you can't go into that lightly. But, as regards whether we are better off, we now have two bus companies instead of one.

MR BLACKSTONE: Costing a great deal of money to the taxpayer.

DEPUTY SCOTT WARREN: Well, it is a situation that I always understood there wasn't room for two operators, but at the moment we have got two operators.

MR BLACKSTONE: I think that is another whole issue and a rather complicated one.

DEPUTY SCOTT WARREN: Yes, I think that is not really ----

MR BLACKSTONE: I gather you have another appointment back at the States?

DEPUTY SCOTT WARREN: Yes.

MR BLACKSTONE: So I won't open that can of worms.

DEPUTY SCOTT WARREN: Thank you.

MR SHEPHEARD: I have no further questions. Deputy Scott Warren, thank you very much for coming to see us.

DEPUTY SCOTT WARREN: No, thank you very much for inviting me. Thank you.
