

**REPLY BY THE PRESIDENT OF THE COMMITTEE *FOR THE*
ENVIRONMENT & INFRASTRUCTURE
TO QUESTIONS ASKED PURSUANT TO RULE 14 OF THE
RULES OF PROCEDURE BY DEPUTY LAURIE QUERPEL**

I do of course appreciate that the bus service is out sourced and that consequently control of operational matters lie with the current provider CT Plus. Nonetheless according to their mandate the Committee for the Environment & Infrastructure have overall responsibility and are ultimately accountable when it comes to attempting to ensure that the bus service is sustainable, efficient, safe (both from a public and staff perspective) and bearing in mind the significant investment of public funds via subsidies and otherwise, cost effective. In the light of the foregoing I submit the following questions.

Question 1

What active monitoring does the Committee undertake to ensure that all contracted bus services and school bus services are operated and what penalties are in place when services are dropped?

Answer

The current bus contract, operational from 1st April 2015 until 30th September 2020, is managed on behalf of the Committee *for the* Environment & Infrastructure by Traffic and Highway Services. The operator, CT Plus, is contractually obliged to report monthly on a range of key performance indicators, including the number of school and public bus services either cancelled or deviated from the prescribed route. Any cancelled service attracts a fine of £100 for each instance, excluding the first 100 services cancelled in any contract year. Failure to operate a service in accordance with the prescribed route attracts an immediate fine of £100, unless the deviation was caused by an accident, road works or an instruction given by the Police.

Traffic and Highway Services also conducts periodic checks on bus service operations and can monitor service provision in a 'live' environment using the bus management system.

Question 2

Unite are alleging that drivers' shifts are so long as to be unsafe. What performance indicators are within the current bus contract to ensure safe working practices and how are these monitored by Environment & Infrastructure and what action would the Committee consider taking if working practices were found to be less than safe?

Answer

Contractual arrangements for the bus drivers, including pay and shift patterns, is primarily a matter for the operator. However, the bus contract requires that the operator adopts 'good industry practice' and complies with 'health and safety legislation', including the provisions laid out in its own Health and Safety at Work Policy. The existing Duty* cards comply with GB domestic rules governing passenger carrying vehicles where, amongst other things, the limit on the maximum number of hours that can be 'driven' in one day is 10hrs. Of the 44 Duty cards currently in operation on a week day during school term time (the busiest time of the year), the average 'driven' time per Duty card is 7hrs 45min and none of the cards exceed the 10hr limit.

Traffic and Highway Services is currently unaware of any circumstances in which the GB domestic rules have been exceeded and any allegations of unsafe working practices would need to be discussed with the operator.

*A 'Duty' card details a driver's start and finish times, route timings, breaks and layover periods for a particular set of services on any given day.

Question 3

In 2011 the annual cost of delivering the bus contract was £2,333,000. In 2015 the annual cost of delivering the bus contract was £4,294,000. What improvements have taken place in regard to the bus service during this period and given the fact that the cost of delivering the service has increased by £1,961,000 since 2011, do the Committee feel that the contract provides good value for taxpayers' money?

Answer

The annual cost of delivering the bus contract has not increased by £1,961,000 since 2011. The net cost of providing the contracted service in 2011 (i.e. less fare income) was £2,333,000. In 2015 the operator was paid a total of £4,294,000 but fare income of £935,000 (in accordance with the new contractual arrangements) was retained by the States. Accordingly, the net cost of providing the contracted service in 2015 was £3,359,000. This represented an increase of just over £1,000,000 as compared with 2011.

This increase in contract costs reflects:

- a) A 10% increase in the daily number of services operated across the network;
- b) A number of significant improvements that have been introduced to make the service more attractive and convenient; including the provision of a new ticketing system providing a range of new smart card products, an online top up service, a live time bus information system (including an app for mobile phones) and a new travel planning website;
- c) Better terms and conditions for drivers;

- d) The best negotiated contractual price available after taking into account the service improvements highlighted in a) to c) above.

The current route network, timetable and fares reflect the outcomes of various States debates on the provision of public and integrated school bus services, most recently considered as part of the Integrated Transport Strategy debated in May 2014 and then subsequently in July 2015 when the funding arrangements for the Strategy, including the revised bus contract sums, were approved.

Rather than a drain on public resources, research shows that investing in bus services can provide exceptional value for money for the taxpayer, including far-reaching economic, social, environmental and health benefits. For every £1 invested in buses it can be argued that it generates between £3 and £5 in wider benefits to the economy. It should not be forgotten that the bus service benefits all road users by reducing congestion and vehicle emissions and plays an important role in tackling social exclusion and inequality, and without it the least advantaged people in our society would be poorer, more vulnerable, more isolated and less able to access the opportunities that many of us take for granted.

Question 4

Island Coachways Ltd gave notice to cease running the bus service after negotiations with the Environment Department demanded a reduction of the baseline cost of the service by £250,000 per annum as advised by the FTP executive. Given the subsequent and significant rise in the subsidy does the Committee feel that this demand was fair and/or achievable?

Answer

On taking over the contract in 2012, the sum made available to CT Plus by the States to cover the cost of providing the services was reduced by £250,000 compared to the 2010 subsidy paid to ICW. This was part of the efficiency savings required by the Financial Transformation Programme. With inflation, fuel rises and the increasing maintenance costs associated with an aging fleet the combined reduction in real terms would have been significantly more.

Despite this, both the previous and current operators had initially indicated that this might be achievable. On reflection, the previous operator advised that it could not meet these requirements and gave three months' notice on the previous bus contract.

In contracting to operate the services for this significantly lower sum from April 2012, the current operator sought to drive out any operational inefficiency and focused its efforts on trying to increase patronage and, hence, increase fare receipts. This subsequently proved not to be viable and the operator recorded a substantial loss in its first year of operation resulting in the need to review the bus timetable and to introduce higher fares.

Question 5

Since Island Coachways ceased to operate the bus service have the States incurred additional costs in relation to the running of the service, for example, rental on the bus depot site, vehicle maintenance costs and promotion?

Answer

The (then) new contract, effective from 1st April 2012, presented a variety of operational challenges for the new operation, given that the previous Bus Depot site was not available in its entirety for the new operator. This required a different approach in respect of a number of operational issues, including vehicle maintenance, which was contracted out to a third party at an alternative location. In terms of the bus depot, elements of the rental costs remain largely the same as there is no longer a charge for 'shared' use of the Tram sheds for maintenance purposes but the charge for bus parking increased as it became dedicated to the bus fleet. It was also necessary to incur 'set up' charges, including the provision of new fuelling facilities and the leasing and converting of additional premises at the site for use by the new operator.

Question 6

Bus passenger figures in 2011 stood at 1,563,966. The subsidy per passenger in 2011 was approximately £1.49. Bus passenger figures in 2015 stood at 1,506,801. The subsidy per passenger in 2015 was approximately £2.84. Does the Committee feel that the figures and subsidy per passenger in regard to the current service demonstrate/ represent value for money?

Answer

The current contract payment is equivalent to about £2.23 per passenger (and not £2.84 as suggested) when taking into account fare income as described in the answer to question 3 above and reflects, in part, the significant service improvements that have been introduced over the last 12 months. It should also be borne in mind that of the 1.5m passengers carried annually, approximately 20% are carried 'free of charge', including all old age pensioners, children under 5 and all students currently in full time education.

The existing service network and fares policy accords with various previous States decisions and directives, bus passenger numbers are on the increase and the current contract payments, and equivalent 'subsidy' per passenger carried, reflects market forces prevalent at the time when the contract was put out to tender in late 2014.

It is important to understand that to many people the bus service is an essential lifeline enabling them to get to and from work, to attend important appointments or just to integrate in society, whether they have mobility issues, are unable to drive on

medical grounds or simply can't afford a car or to use a taxi. It also provides a cost effective travel option for tourists and people attending the Island on business.

Of course to make the service even better value for money we need to encourage even more people to use the buses.

Question 7

Historically bus passengers figures were published detailing free passengers (OAPs), discounted tickets (multiple journeys) and commuter journeys. Do the Committee still monitor passenger details and use the data to spot trends and will the Committee be publishing more detailed figures so the success or otherwise of the current bus contract can be gauged?

Answer

The Committee *for the* Environment and Infrastructure publishes monthly updates on total bus passenger carryings compared to the same period in years 2011 through to 2015. This published data excludes students carried on integrated school services, 'transfer' journeys and staff travel – although this data is also recorded.

Detailed records are kept of all recorded journey types and this information is available for public scrutiny. With the introduction of various different ticketing and fare options over the years, it is not always easy to compare trends in passenger movements. Typically, monthly passenger numbers peak at around 180,000 – 190,000 in July and August as compared with around 100,000 passengers per month in winter. This is largely attributable to the visitor market and corresponding increases can be seen in the number of £1 cash fares and Family unlimited 1, 2 and 7 day pass journeys undertaken using these products over the summer months.

Approximately half of the recent rise in bus passenger numbers (currently up 7.5% on 2015) can be attributed to the provision of 'free' travel for all students in full-time education where it is estimated that some 30,000 additional journeys have already been undertaken across the network so far this year.

Date of Receipt of the Question: Monday 1st August 2016

Date of Reply: Friday 19th August 2016