

STATES OF JERSEY



BUS SERVICES: PROPOSALS TO MAKE FREE OF CHARGE (P.52/2019) – SECOND AMENDMENT

**Lodged au Greffe on 11th June 2019
by the Minister for Infrastructure**

STATES GREFFE

BUS SERVICES: PROPOSALS TO MAKE FREE OF CHARGE (P.52/2019) –
SECOND AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

For paragraph (a), substitute the following paragraph –

- “(a) to ensure that school bus services can be used free of charge by school students from the start of term in September 2019, without detriment to the general bus service, by increasing car parking charges by 10 pence per unit from July 2019, subject to annual review to provide for any investment required to accommodate inflation and anticipated passenger growth;”.

2 PAGE 2, PARAGRAPH (b) –

After the words “the earliest date practicable”, insert the words “, subject to full funding being provided”.

3 PAGE 2, PARAGRAPH (c) –

After the words “for everyone in Jersey”, insert the words “, subject to full funding being provided”.

MINISTER FOR INFRASTRUCTURE

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Infrastructure –

- (a) to ensure that school bus services can be used free of charge by school students from the start of term in September 2019, without detriment to the general bus service, by increasing car parking charges by 10 pence per unit from July 2019, subject to annual review to provide for any investment required to accommodate inflation and anticipated passenger growth;
- (b) to bring forward a plan to enable all bus services to be free of charge to people under the age of 18 and people in full-time education from the earliest date practicable, subject to full funding being provided; and
- (c) to prepare a plan by the end of 2020 for working towards and then enabling free bus transport for everyone in Jersey, subject to full funding being provided.

REPORT

Due to the bespoke nature of the school bus service, which attempts to pick up as close to the students' homes as possible, the current average subsidy per student journey is of the order of £2.90¹. This, supplemented by the current ticket price of £1.10 for cash fares and 80p for Avanchicards, brings the total to a cost in the order of £3.90. Of course this figure is an average, for travel on well-used routes in the vicinity of school or on public scheduled services where economies of scale mean the subsidy is less, while for students in outlying areas it is higher.

Currently, the total subsidy provided for the school bus network is approximately £1.2 million of the overall £4.6 million contract for buses. As the demand for student travel has typically grown between 4–6% per annum since the start of the LibertyBus contract, a provision would also be required to be able to increase capacity to accommodate future passenger growth (additional buses and drivers); not providing for this would result in hazardous overcrowding and standing.

Hence, if all student travel (school and public networks) is to be made free as proposed in [P.52/2019](#), an immediate shortfall in funding of the order of £650,000 would be created. The profit share received from LibertyBus has ranged from £40,000 – £250,000 since contract commencement in 2013, and is already accounted for in covering the growing cost of concessionary fares for our ageing, but active, population; and improving access to stops and facilities, such as bus shelters.

To provide a free bus service for students, it is estimated that for the year 2020, approximately £700,000 would be required to maintain the existing service, allowing for inflation and increased uptake in its usage. For the Autumn Term 2019 it is projected that £217,000 would be required.

There is insufficient resource within the Minister for Infrastructure's remit to be able to re-allocate budgets without severely impacting service delivery in other areas. Thus, the question of how to equitably address this shortfall has provided some challenging choices, as follows –

- **Increase all public bus fares by 18p.** This would address the shortfall, but make bus travel less attractive to the general population, further reducing income for investment, potentially creating a downward spiral in bus usage, as has occurred over much of the UK for similar reasons.
- **Reduce public bus services by 10%.** This would also address the shortfall, but would require cutting the non-profitable socially necessary services, generally to the northern parishes and non-commuter daytime, evening and winter services. These routes are currently provided as a social good to help vulnerable sections of the population who would otherwise not have access to transport, such as the elderly, young and the 12% of households without access to car. Again, this would make the bus service as a whole less attractive, potentially resulting in a downward spiral.

¹ For context, ignoring the subsidy costs for concessionary fares for Pensioners, Persons with Disability and Students, the subsidy for adults using scheduled services is in the order of 50-60 pence per journey.

- **Increase parking charges by 10p per unit.** The cost of parking is a significant component to the cost of car use, and is therefore influential to people's travel choices. St. Helier's car parking charges are low compared to those in UK towns². Increasing the cost of parking by 10p per unit, from 85p to 95p, would provide in the order of £700,000, enough to cover the shortfall and allow for some passenger growth.

Consequently, in order to secure a long-term sustainable funding route for free student travel, it is proposed that parking charges are increased by 10p per unit (with a commensurate increase to monthly parking permits), subject to an annual review. This treatment avoids the need to place further pressures upon necessarily restricted States' revenue budgets, potentially displacing other priority government services.

A further benefit of this measure, above the other options set out, research shows, is that increasing the differential between the cost of private motoring and public transport would also help incentivise change in the Island's travel habits, helping to reduce transport greenhouse gas emissions, particulate pollution and congestion³. Such measures are increasingly being adopted around the world to protect the environment of urban populations, and to help create healthy streets.

Financial and manpower implications

Increasing the cost of parking by 10p per unit, from 85p to 95p, would provide in the order of £700,000, enough to cover the shortfall required to maintain existing bus services, allowing for inflation and some increased uptake in its usage.

The Jersey Car Parking trading operation "grant" to Growth, Housing and Environment would need to increase by approximately £217,000 for 2019 and £700,000 for 2020, with a commensurate increase in that Department's income and expenditure budgets. Future years' requirements would be dependent on inflation and growth, and subject to an annual review.

This treatment avoids the need to place further pressures upon necessarily restricted States' revenue budgets, potentially displacing other priority government services.

Consequently, in order to secure a long-term sustainable funding route for free student travel, it is proposed that parking charges are increased by 10p per unit (with a commensurate increase to monthly parking permits) from July 2019, subject to an annual review. For this to be achieved, the Minister for Treasury and Resources will need to make the necessary adjustments to the Jersey Car Parking Trading Operation and Growth, Housing and Environment budgets to provide for this.

² Benchmarking St. Helier's parking charges with a number of UK towns indicates that, based on population, parking charges on-street are commensurate but somewhat lower (around 20%) than those in towns of similar size in the UK for off-street parking. Unlike St. Helier, many comparable towns are charging for evenings, overnight and on Sundays.

When residential rents are used to benchmark, providing a better indication of land value and the economic attractiveness of the area, St. Helier can be seen to be offering considerably lower tariffs on-street and (long stay) off-street. When considering all day charges, there is scope for a 40% increase for St. Helier to be consistent with the average.

Further benchmarking of St. Helier in relation to 5 seaside towns in the UK reveals that parking charges in Jersey are lower for all times of the day in all on- and off-street city-centre locations. The average hourly charge for an on-street space in the towns surveyed was £2.14p.

³ States of Jersey Sustainable Transport Policy, Appendix A: 'Mode Change Study'.