

20.11.17

12 Connétable R. Vibert of St. Peter of the Minister for Infrastructure regarding expenditure on the bus contract as part of the response to Covid-19 (OQ.322/2020):

Given that the Government Plan indicates expenditure as part of the COVID response of £2 million in 2021 on the bus contract, with further expenditure anticipated for 2022 and 2024, will the Minister advise what this money is to be used for?

Deputy K.C. Lewis (The Minister for Infrastructure):

Although the 2013 bus operating contract places the revenue risk on the operator, rather than the Government, a certain level of passenger demand is required in order for the service to break even. Passenger demand since March 2020 has fallen way below this level due to COVID restrictions, the public's response and incoming visitor numbers and it is likely to recover to 2019 levels during 2021. Accordingly, the shortfall in fare income is being made up through additional contract support funding, as provided for within the Government Plan, allowing services to continue operating and, importantly, employment to be maintained.

4.12.1 The Connétable of St. Peter:

Could the Minister confirm if the bus company supplied data to justify these funds being paid over to them for the total period to 2024, in fact the amount involved by 2024 is a total of £4 million?

Deputy K.C. Lewis:

Indeed, the figures are gone through forensically with my department and also we liaise with Treasury but this would be an absolute maximum. Additional support for the bus service of just under £400,000 was required in the quarter to 2020 because income is still reduced. It is currently likely being sought for quarter 3 and quarter 4 2020. Extra money is being made available in the Government Plan to sustain the network, as the Constable says, in 2021. The total number of bus passengers in the week ending 1st November 2020 was 44 per cent lower than in a comparable week of 2019, so the figures do bear out.

4.12.2 Senator S.Y. Mézec:

In previous debates on the bus service the Minister has said of LibertyBus and I am quoting here: "Their business is their business." Will this extra funding come with any strings attached or is it really the case that their business is their business and they should not be held on life support?

Deputy K.C. Lewis:

When I say the business is their business I was referring to their profits, which, of course, there are none at the moment. We are just trying to preserve the bus service, which is an essential item for the Island to keep people mobile, keep people in work and people who do charitable works to get to their place of work. It is not to support the company, it is to support the Island.

4.12.3 Senator S.Y. Mézec:

When the Minister said: "Their business is their business" it was not in relation to profits, it was in relation to the level of service that they provide. Could he just confirm that he, as Minister, will continue to have a complete *laissez-faire* approach to this offering, no instruction whatsoever on what level of bus service for those people who need to get to work, as he just described?

Deputy K.C. Lewis:

That is a complete nonsense to say I have a *laissez-faire* ... we work very closely with LibertyBus. We have a dedicated officer within infrastructure who liaises directly with LibertyBus and we have 2 other consultants who liaise with them too. This is vital for the Island to keep the bus service going. We have a very good working relationship with LibertyBus. I myself signed the contract with them in 2013. They were head and shoulders above every other operator that applied for the contract. To say I have a *laissez-faire* attitude is a complete nonsense. We work closely together, they are a social enterprise group and they provide an excellent service. It is not their fault that COVID came along and we are doing our best to work closely with them.

4.12.4 Deputy R.J. Ward:

Will the Minister confirm that that money will not be returned from LibertyBus during the time of this funding to the central HCT Group, as has been apparent in their accounts for the last few years and that none of this government funding will go towards central accounts of HCT Group?

Deputy K.C. Lewis:

Not to my knowledge. This is a life-saver, we are keeping the service going because it has dropped so drastically. If we let this company go it will be an absolute disaster, not to mention unemployment of all the drivers and all the ancillary staff and mechanics. This is in our interest to keep LibertyBus thriving until we are through COVID and then it can be back to its pre-COVID result. Prior to COVID they were up, I think, 14 per cent on the previous year. Being hit by COVID was devastating for us and the bus company.

4.12.5 Deputy R.J. Ward:

Pre-COVID returns were made to central groups, which went towards funding other bus companies throughout the U.K. Will the Minister confirm that none of these government funds in the Government Plan will go towards the central funding of HCT Group from a return from Jersey bus?

Deputy K.C. Lewis:

As I have just said, not to my knowledge. I will check up on that but they are part of a larger network of companies. But, as I say, their accounts are gone through forensically with my department and we know exactly what is what. We are trying our best to preserve the service.

4.12.6 Deputy K.F. Morel:

Would the Minister explain on what forecasting he has come up with the figures for the need for funding for the years 2022, 2023 and 2024, given that there is likely to be no COVID-affected business in those years?

[11:15]

Deputy K.C. Lewis:

Yes, the Deputy makes an excellent point. This is worst-case scenario. We would dearly love for the new vaccines to come online before Christmas and early in the new year so we could get rid of COVID altogether. But your guess is as good as mine whether this works. This is the worst-case scenario. As soon as things get back to normal obviously funding will cease.

4.12.7 Deputy K.F. Morel:

Would the Minister confirm that these funds are only to enable LibertyBus to break even and not to make a profit?

Deputy K.C. Lewis:

That is my information I have, yes. I will check up on that. As I say, their whole network is devastated throughout the U.K. too, it is not just Jersey but I will check on those items.

4.12.8 Deputy G.P. Southern:

“Not to my knowledge” is the catchall that many Ministers use whenever they do not wish to answer. The question should be and is: what mechanisms do you have to ensure that these subsidies are not being diverted either to the central body or to the subsidiaries of HCT?

Deputy K.C. Lewis:

“Not to my knowledge” means exactly that. Obviously we are working very closely with LibertyBus, we are working very closely with Treasury and the Minister for Treasury and Resources, who is not known for giving any money away unless they really have to. At the moment we really have to, to keep the bus service going. But I will check on the items requested by the Deputies but, as I say, this is to keep the bus service afloat.

4.12.9 Deputy G.P. Southern:

Bring any mechanism that he has available to him to the Assembly.

Deputy K.C. Lewis:

Could the Deputy define that question?

Deputy G.P. Southern:

Any mechanisms by which you can control where this money goes.

Deputy K.C. Lewis:

Yes, absolutely. I will get back to the Assembly and I will check up on those extra details.

The Bailiff:

Senator Ferguson, you have asked if you can ask a question. Unfortunately, I closed the questions on this because a large number of people have already asked and we have time pressure.

The Connétable of St. Peter:

No further questions, Sir.