

STATES OF JERSEY



ANNUAL REPORT ON PUBLIC BUS TRANSPORT: THE SCHOOL BUS SERVICE AND THE FIRST YEAR OF THE CONNEX BUS SERVICE

**Presented to the States on 9th December 2003
by the Environment and Public Services Committee**

STATES GREFFE

CONTENTS:

SUMMARY

1. THE PUBLIC BUS SERVICE

- 1.1 Background
- 1.2 Introduction
- 1.3 Winter Timetable Operation (September 29th 2002 to 31st May 2003)
- 1.4 The Summer Timetable Operation (1st June to September 27th 2003)
- 1.5 General Operational Information
- 1.6 Additional Costs and Other Impacts
- 1.7 Future Developments of the Connex Service
- 1.8 Statistics
- 1.9 Comparison of Expenditure of Overall Public Transport Provision
- 1.10 Comparison of Passenger Subsidies in Jersey and Elsewhere
- 1.11 Useful Contacts

2. THE SCHOOL BUS SERVICE

- 2.1 Background
- 2.2 Introduction
- 2.3 Current Operations
- 2.4 Future Developments in Schools Service
- 2.5 Useful Information

3. THE BUS STRATEGY

Appendix 1 – Connex Passenger Charter

Appendix 2 – The Bus Strategy

Appendix 3 – Passenger Statistics (by route) of the Connex Service

Appendix 4 – Passenger Journeys by Route inc: Concessionary Journey Comparison

Appendix 5 – Passenger Location, Winter Morning Peak

Acknowledgements

LIST OF FIGURES

Figure 1. General Statistics – Connex Service

Figure 2a & 2b. Revenue Gathering Comparison

Figure 3. Comparison of Costs Between Overall Public Transport Provision 2003, and the Year 2001 of the Jerseybus Era, Uplifted for Inflation.

Figure 4a & 4b. Comparison of Passenger Journey Subsidies

Figure 5. School Bus Charges

Figure 6. General Statistics – School Bus Service

REPORT

Summary

In April, 2002, following approval of P.104/2001, the States, through the Public Services Committee, awarded Connex Transport Jersey Limited a 7 year contract, worth £4.34million per year, to operate the Island's public bus service. All fare income collected on the service by Connex is passed to the States. The estimated income expected at the time of awarding the contract was £2.5million. The estimate was based on figures provided by the previous operator in 1993, inflated for increases in bus fares and adjusted to allow for the decrease in visitors to the Island in the intervening years. It was estimated, therefore, that the first year's operation would require a subsidy from the States of the order of £1.84million.

Connex began operations on 29th September 2002, using a fleet of new accessible buses specially built for the Island and employing most of the staff from the previous operator, as required by the contract. Despite some difficulties, Connex has performed well, meeting the specification and receiving relatively few complaints from customers. Eighteen per cent of people travelling on the bus service enjoyed free transport.

Fare income received during the year, £2,116,873, has been less than originally estimated, particularly during the main summer timetable period when a competing service, *easylink*, entered the market. There was also settlement of a claim from Connex in the amount of £186,802, in respect of additional wages paid to staff. This resulted from a wage agreement reached between the Transport and General Workers Union and the previous operator, after the contract was awarded to Connex.

The lower fare income and the additional payment for wages, together with costs for Vehicle Registration Duty (£27,500) and operating an additional service to Elizabeth Harbour (£43,023), has meant that the amount of subsidy required has risen to £2,482,045. This has resulted in a subsidy per fare paying passenger journey of £0.99p.

The School Bus Service was reorganised when the contract for the Jerseybus part of the service ended in July, 2002. A new 3 year contract for the entire service was placed with Tantivy Blue Coach at a cost of £1.1million per year. In the first year, 348,180 students were carried, providing an income of £174,090. The subsidy paid by the States per student trip amounted to £2.72.

The cost to the public 'purse' of the previous operator providing the equivalent bus service in 2003 (based on actual 2001 expenditure inflated) would have been in the order of £2.9 million.

1. THE PUBLIC BUS SERVICE

1.1. Background

The States of Jersey approved P.104/2001 – Bus Strategy, in July 2001. As approved in the Projet, the Public Services Committee, with the assistance of the Bus Strategy Steering Group, sought competitive bids to operate the Island's bus service. In April, 2002, a 7 year licence for services was granted to Connex by the previous Public Services Committee.

1.2 Introduction

The contract and new operator of the Public Bus Service commenced on Sunday, September 29th 2002. The Public Bus Service is now funded by the States of Jersey and administered on its behalf by the Environment and Public Services Committee (E&PS) who also act as Regulator until such time as this responsibility can be transferred to the Jersey Competition and Regulatory Authority, currently expected to be some time in 2005. Connex is contracted to run and develop the Service, over the 7 year period of the contract, for an annual sum of £4.34million, subject to cost of living increases. The relevant licence required under the Motor Traffic (Jersey) Law 1935, to operate bus services has been granted to Connex by E&PS.

All fare income collected is passed directly to the States. The difference between the annual fare income for the States and the annual sum paid to Connex is the amount of public subsidy required to operate the service.

As outlined to the States when approving P.104/2001, the timetable run in the first year of operation is that which applied in the winter of 1999/2000 and the summer of 2000. As well as reinstating services, this choice of timetable provided a uniform specification for the various bidders to price. There was also a lack of relevant information on income and usage from the previous operator, Jerseybus. It was essential, therefore, to determine the base revenue and operating characteristics of the original service, so it could be used as a comparison to future years as the service is developed.

The 33 new buses chosen by Connex have been welcomed for their quality, environmental credentials and the ease with which the disabled, elderly and less mobile can access the bus; criteria outlined in the specification. Their size and design has enabled the vehicles to be extremely manoeuvrable in heavy traffic and tight situations in town streets. This pioneering design, undertaken especially for Jersey, is now selling well to local authorities and operators in the U.K. for the same reasons. However, there has been criticism from some quarters that this size of vehicle provides too little operational capacity at peak times, a consequence of providing for wheelchairs.

Connex has published its Passenger Charter which can be seen on-bus or at its Weighbridge office. The Charter reflects the commitment to the Public and the standards of service to be expected. (Appendix 1)

1.3 Winter Timetable Operations 2002/03

The start of operations at the end of September was beset with difficulties. Some facilities for the Operator, including the new garage at La Collette II, were not complete for a variety of reasons. The change-over of staff and other logistical difficulties meant that commuters experienced some loss of service in the first days. The situation was quickly addressed and since then a regular and reliable service has been delivered as Connex settled into its role. Thousands of copies of the winter timetables were issued free of charge at numerous outlets; however, information displayed at strategic points around the Island was unfortunately and repeatedly vandalised.

Operations commenced with a schedule of service the same as that provided in winter 1999/2000.

Easter Sunday, April 20th, saw the start of the *easylink* operation by the former public bus service operator

JerseyBus/Tantivy. Environment and Public Services, acting in its role as Regulator, has challenged the legitimacy of these services which, following extensive discussions with representatives from *easylink*, led to a civil action being brought by the E&PS in June. Due process has followed and a Hearing and judgement on the legitimacy of the operation is still awaited in the Royal Court. This service has had a significant impact on the States-funded Connex service in that ticket sales and resulting fare income has been lower than that which would be reasonably expected on the basis of the information on income in 1993.

Experience and observations gained during the first months led to minor timetable amendments being introduced, following consultation in May, at the changeover to summer timetables, in June. Certain journeys were cut in order to better reflect the demand from passengers.

1.4 Summer Timetable Operations 2003

Summer timetables started smoothly on Sunday, June 1st with eleven extra mid-life vehicles added to the fleet for the summer services. Three of the higher capacity vehicles have been purchased and retained to cope with loadings on busier routes.

In conjunction with the Harbours and Airport Committee, an experimental service, granted under Article 18 of the Motor Traffic (Jersey) Law 1935, was provided to Elizabeth Harbour and the Waterfront area. This service, No:11, carried 8690 passengers in the period June 1st to Sept 30th, 2003.

On Battle of Flowers Day, **50** extra services were run by Connex in order to transport the public to and from the event; on the following day a further **17** extra services were run to cope with extra demand.

Connex have begun their policy of integrating themselves into the community life of the Island by transporting without charge special needs children from Mont a L'Abbe School to the Battle of Flowers. This policy will be a continuing development for the company and includes the network branding 'Mybus' that was started in late summer. The company intend to become increasingly involved with schools to encourage bus usage at an earlier age and thus generate a growing customer base.

A special promotional off-peak fare of 50p per single journey was offered on 'Green Day' on September 26th. Although this was well publicised, the take-up of the offer was small. In fact fewer people travelled that day (5139 passengers) between 10 a.m. and 4 p.m. than on the previous Friday (5463 passengers).

There were service changes consulted upon and implemented for Routes 1,1b, 2c, 8, 15, 19, 20, 21, 22, at end of September.

The summer period also saw the expansion of the 'easylink' operation, providing services to many of the Island's tourist attractions.

1.5 General Operational Information

The winter fleet now comprises the **33** original Nimbus Darts (29 seats, 1 wheelchair, 15 standing in differing configurations) and **5** Pointer Darts with seating up to 40 and standing for 11 depending on the vehicle. There is no facility for wheelchairs on these vehicles (see Section – Future Developments).

A further **11** mid-life buses were added to the fleet to operate the summer timetable.

Connex employ a total of **66** staff of whom **43** are drivers. This number increases in summer by **22** extra seasonal drivers, **2** full-time and **2** part-time administration staff.

There have been **45** instances of service discrepancies in the period since the penalty clauses became effective (31st January 2003), **32** of which were directly attributable to deficiencies in Connex operations.

This represents only **0.02%** of the annual number of journeys operated. Under the contract, financial penalties are only applied when the level of penalty points reaches 125 in any 12 week period. It has not been necessary to invoke any financial penalties.

Sixty-nine written complaints have been received in the period, which equates to **0.03%** of total passengers carried. All written complaints are required by the contract to be answered by the operator within a maximum of 14 days and copied with the reply to E&PS.

Thirteen letters of praise for Connex have been received, the majority of which have come from holidaymakers making favourable comparison between the Jersey Connex operation and what they experience at home.

In August, Connex carried out surveys to assist its deliberations on making effective changes to the network and schedules.

1.6 Additional Costs and Other Impacts

Wages – Following the acceptance of the Bus Strategy by the States, subsequent negotiations with the Transport and General Workers Union and the resulting competitive tendering process required the new operator to employ all existing staff as part of the transfer of operations. Tenders were submitted on the basis of employing staff on the same terms and conditions as they enjoyed in August 2001 with an allowance for inflation. In May, 2002, after Connex was appointed, the then Committee and Connex was made aware that Jerseybus and its employees had negotiated an agreement whereby from September, 2002, one month before the transfer of operations, drivers would receive an additional shift allowance. This agreement added £238,000 to the wages bill in the first year of operation. Environment and Public Services learned of this issue when the Committee first met. Following extensive discussions, E&PS reluctantly agreed to meet £187,000 of this additional cost, in the first year. The remainder of the cost was met by Connex through efficiency savings. In 2003/2004 and subsequent years, this additional unexpected cost has to be absorbed into its ongoing operational costs, through re-negotiation and improvements in efficiency of operations.

Vehicle Registration Duty - Any extra expense incurred by Connex through changes in legislation is a claim under the contract. Vehicle Registration Duty (VRD) was introduced in January, 2003 and applied to any vehicles brought into the Island after that date, including the extra buses required for summer services. Although the financial position of the States remains neutral, there is a transfer of **£27,500** from E&PS cash limits back to the States central funds because of VRD. Vehicle Registration Duty will be payable on any further buses brought into the Island.

‘Easylink’ - The competition of the ‘*easylink*’ network, especially from those services running parallel to Connex’ higher fare income routes along the south of the Island, is believed to have resulted in a significant loss of revenue to the States, estimated to be of the order of £400k.

1.7 Future Developments of the Connex Service

Connex propose that new winter timetables commencing early in 2004 should contain revisions to the route structure following the experience gained earlier in the year. These revisions are intended to reflect also the findings of the passenger interview surveys, undertaken by Connex in August 2003, and analysis of data collected by the ticketing machines. The revisions which include both reductions and additions to services, are intended to provide a network that better reflects the travel patterns on the Island, provide a good base for planned seasonal enhancements in the summer, and also for the transfer of some school services to the scheduled network. E&PS, as Regulator, has put these proposals out for public consultation and will make its decision only after this process is complete.

A further 5 new vehicles of the same standard as the current fleet will be arriving in April 2004. While the

5 new vehicles will be low-floor, they will not be wheelchair accessible, instead maximising the seating capacity available on each vehicle.

Additionally, 5 high capacity, mid-life vehicles have been added to the fleet; 4 have already arrived on the Island with the remaining vehicle due shortly. It is proposed that a further 3 mid-life buses will be added to the fleet next year to operate those school services being transferred onto the scheduled network by Easter 2004, and to supplement the network in the summer period. All of these mid-life buses will be single step entry with no wheelchair facility. This will bring the total investment in vehicles to around £3.3million.

A revised fare structure is under evaluation in order to simplify the current unwieldy system. This may include a flat fare rate.

The Waterfront Enterprise Board (WEB) is in the process of preparing plans for building the Transportation Centre on the 'Island Site'. WEB, E&PS and Connex are working together to optimise the arrangement of the Transportation Centre and submit a planning application, soon. It is hoped that this development will be operational by September, 2005. It will provide a new, clean and comfortable enclosed area for passengers using public transport on the Island. The Centre, and any associated retail outlets, will provide a new focal point for the Esplanade.

1.8 Statistics

Actual total passenger journeys	2,483,298
Paying passenger journeys	2,044,803
Free concessionary journeys (18% of total passengers, ranging from 5% on Service No: 7b to 59% on Service No: 6)	438,495
Student concessionary journeys on Connex (to end of term in July 03)	11,728
Average fare (paying passengers)	£1:03p
Service journeys each weekday (deep winter)	456
Average passenger loading per winter bus journey peak time	20
Average passenger loading per winter bus journey afternoon off-peak	11
Service journeys each weekday (high summer)	708
Average passenger loading per summer bus journey peak time	25
Average passenger loading per summer bus journey afternoon off-peak	17
Average passengers carried per calendar month (winter)	169,720
Average passengers carried per calendar month (summer)	283,560
Actual annual income (gross)	£2,116,873
Winter period income (gross)	£995,231
Summer Period income (gross)	£1,121,642
Original annual contract cost (Year 1)	£4,341,593
Actual annual contract cost (Year 1) ¹	£4,598,918
Estimated States subsidy to passenger network 2002/2003	£1,840,000
Actual States subsidy to passenger network 2002/2003	£2,482,045

¹ Includes additional Shift Payments, VRD and Harbour service

Figure 1

General Statistics, Connex Service (29th September 2002 To 27th September 2003 Inc:)

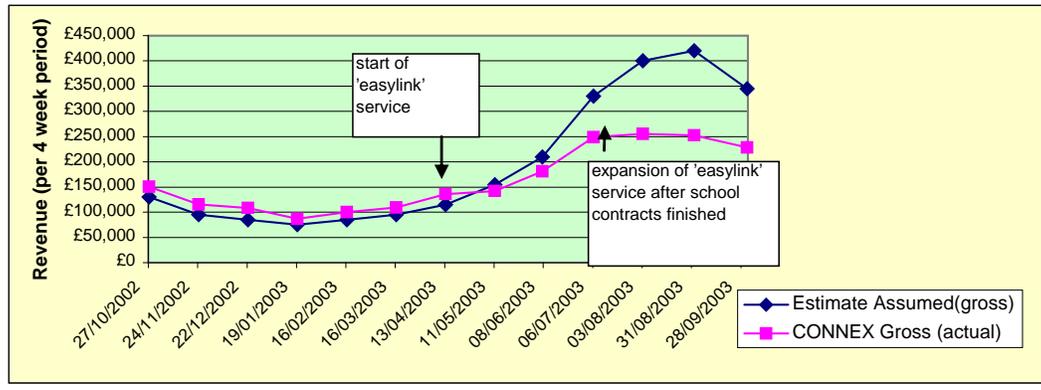


Figure 2a

Period End Dates	ESTIMATE (gross)	CONNEX gross (actual)
27-Oct-02	£130,000.00	£151,099.84
24-Nov-02	£95,000.00	£115,334.02
22-Dec-02	£85,000.00	£108,329.45
19-Jan-03	£75,000.00	£86,959.24
16-Feb-03	£85,000.00	£100,216.57
16-Mar-03	£95,000.00	£109,318.76
13-Apr-03	£115,000.00	£136,357.58
11-May-03	£155,000.00	£142,264.42
07-Jun-03	£210,000.00	£181,405.40
06-Jul-03	£330,000.00	£249,073.00
03-Aug-03	£400,000.00	£255,239.75
01-Sep-03	£420,000.00	£252,670.22
27-Sept--03	£345,000.00	£228,605.12
Totals	£2,540,000.00	£2,116,873.37
	£2,116,873.37	
Shortfall	£423,126.63	

Figure 2b

Revenue Gathering Oct 2002 to Sept 2003

A percentage of the fixed costs of the Tantivy/'easylink' operation is supported by the School Bus Service contract. This underpinning by public funds, in effect, will have assisted 'easylink' to compete against the State-funded Connex service.

1.9 Comparison of Expenditure of Overall Public Transport Provision

The following table compares expenditure on the public bus service and the school bus service at present with expenditure when Jerseybus was the public bus service operator.

	Connex & Tantivy 2002/3	JerseyBus & Tantivy 2001 (adjusted for inflation to 2003)	<p>Figure 3</p> <p>Cost Comparison for Public Transport Provision (Years 2002/3 & 2001)</p> <p>Net cost of contract after deducting actual revenue income and including additional wages cost but not including Harbour service or VRD. NB: Free concessionary fares is income foregone by E&PS Committee.</p> <p>Free Pensioner & HIE journey subsidy & Scholar Fare subsidy to JerseyBus</p> <p>Jerseybus required £450k in 2001 to maintain routes it operated in 2000. These</p>
BUS SERVICE	£2.41M⁽¹⁾	£0.51M⁽²⁾	
SCHOOL BUSES	£0.97 net (Tantivy)	£1.53M net⁽¹⁾ (JerseyBus & Tantivy)	
Route subsidy required for the timetable operated in 2000.	Costs included in contract	£0.5M⁽³⁾	
SUB-TOTAL	£3.38M	£2.54M⁽²⁾	
Impots duty reclaimed on fuel for public bus service	£0.158M	£0.171M⁽³⁾	
TOTAL	£3.538M	£2.711M⁽⁴⁾	

routes were subsequently axed by JerseyBus in 2001.

(4) Sum does not include extra 2002/3 wages costs to E&PSC of £0.19M, included in 2003 figure column.

Had revenue been as expected and wages had risen by inflation only, overall public transport costs between 2003 & 2001 would have been comparable.

The actual difference (**£827,000 in Figure 3**) reflects any influence on fare income arising from the 'easylink' service, the additional wages cost of **£187,000** and the value arising from the introduction of a brand new fleet of accessible, and environmentally friendly vehicles by Connex, a benefit demanded in the Bus Strategy.

It is anticipated that the transfer of school services onto the scheduled network in 2004 will save **£110,000 p.a.**

Larger savings from September 2005 are anticipated when most school services can be transferred to the scheduled network.

1.10 Comparison of Passenger Subsidies in Jersey and Elsewhere

Figure 4 provides information on the subsidies provided per passenger journey in Jersey and elsewhere. It can be seen from the table below that, had income expectations been achieved, Jersey would currently be running a network with a lower subsidy than the best in the U.K. Even so, the level of subsidy is at the lower end of the scale.

Published figures for the Isle of Man are unavailable but they are believed to be well above the Jersey

level, given information to hand.

Location	Cost per passenger bus journey subsidy (without concessionary fares, 2002)
Isle of Wight (U.K. cheapest)	£0.70
Cornwall	£0.90
Norfolk	£1.10
Rutland	£1.20
Oxford	£1.60
Western Isles	£2.50
Argyll & Bute	£3.50
Jersey comparable cost Estimated subsidy for 2002/3	£0.68
Jersey comparable cost Actual subsidy for 2002/3	£0.99

Figure 4a
**Cost Per Paying
Passenger Journey
Subsidy**

GUERNSEY 2003 Budgeted subsidy £1.6 million expected passenger total 1,200,000	£1.333 forecast
JERSEY Oct 2002 to Sept 2003 comparable cost £2.48 million forecast subsidy Passenger total 2,483,298	£0.998p

Figure 4b
Comparison between
Jersey & Guernsey
inclusive of Concessionary
Subsidy

1.11 Useful Contacts

Environment and Public Services has acknowledged the value of the Jersey Bus Users Forum (JBUF) and websites for providing information on bus use in the Island. The following addresses are, therefore, useful.

Jersey Bus Users Forum

The Chairman
 JBUF
 6, Millais Court
 Le Mont Millais
 St. Helier
 JE2 4XR

Connex

The General Manager
 Connex Transport Jersey Ltd
 La Collette II
 St. Helier
 JE2 3NX

Timetable Information

Current timetables can be obtained from Connex premises at the Weighbridge, or by consulting one of the following web pages:

- www.gov.je
- www.thisisjersey.com
- www.jerseyinsight.com

2 THE SCHOOL BUS SERVICE

2.1 Background

In January, 1998, responsibility for administering the School Bus Service passed from the Education Committee to the Public Services Committee. At the time, two separate contracts provided the service, one by Jerseybus, the other by Tantivy Blue Coach (TBC). The Jerseybus contract expired in July, 2002 while the TBC contract was due to run until 2003.

2.2 Introduction

When the Jerseybus contract expired in July 2002, tenders were issued to provide replacement services. The submissions were unacceptable. However, subsequent negotiations with TBC led to a 3 year contract valued at £1.1million subject to an annual increase in line with the RPI or 4% whichever is the lesser. This contract offered better value than the previous separate contracts. This contract expires in July, 2005.

2.3 Current Operations (Sept 02 – July 03)

This continues to be a popular and well-used service. However, it has become increasingly expensive in recent years, requiring much pruning and re-organisation to reduce it to current levels of subsidy.

Figure 5

School Bus Costs
One written complaint was received about the

Year	Average Cost Per Bus Return Journey
1997	£99
1999	£108
2001	£195
2003	£175

service during the last academic year and in general, behaviour of students has been good with schools addressing problems promptly.

There were problems of afternoon overloads in the St Peter's Valley areas, and similar afternoon overloads at JCG & Beaulieu at the beginning of the Autumn Term 02. These were resolved with the co-operation of the operator, Tantivy.

It can be seen in **Figure 6** that the amount of subsidy per student journey in the last academic year was **£2.72p** or **£5.44p** per return trip.

Buses operating in the morning	33
Number of Journeys	33
Buses operating in the afternoon	36
Number of Journeys	43
Income	£174,090 net
Contract cost	£1,100,000 in Sept 02, rising to £1,144,000 in April 03
Student journeys per annum (190 school days)	348,180
Fare per single journey (currently under review)	50p
Current cost to taxpayer per student journey	£2.72
Students carried per day	average 1,832
Average load factor per bus*	60%

Figure 6

General Statistics, School Bus Service, as operated by Tantivy (Academic Year Sept 02 to July 03)

* load factors vary through the year depending on after-school activities & exam leave; load

factors in the Autumn Term average well over 80%.

2.4 Future Developments in Schools Service

In the first quarter of 2003, E&PS reviewed its priorities and placed Public Transport behind fundamental infrastructure and services related to health protection . In view of the high level of subsidy, the Committee is making a balance between reducing congestion and enabling students to travel at reasonable cost.

Environment and Public Services is pursuing a policy of transferring school services onto the public network, where the current subsidy per passenger figure is only 36% of that of the school service. The same fare and same ticket is valid on both the public bus service and the school service.

Up to 10 schools service routes will be absorbed into the scheduled local network by Easter 2004, and the remainder that can be transferred onto the local service will do so after the end of the current contract with Tantivy in July 2005.

2.5 Useful Information

Information on timetables is published in the Jersey Evening Post each August, prior to the start of the Autumn Term. It can be seen on the website www.gov.je under Public Services.

Any other enquiries should be made to the Transport Co-ordinator at Public Services. Tel. 601306

3 THE BUS STRATEGY

The Proposition set out in the Bus Strategy, P.104/2001, (Appendix 2) has been achieved in full or in part.

Competitive bids for the operation of the Island's bus services were sought from experienced operators;

a licence for 7 years was awarded to the operator that best fulfilled the specification and is prepared to work in partnership with the States to enhance the quality of bus services in the Island;

to give effect to the strategy, amendments to the Motor Traffic (Jersey) Law 1935 were made.

transferring the licensing and regulatory functions of the Committee to the Jersey Competition Regulatory Authority will take place in 2005 when the Competition Law is in place and the JCRA is in a position to assume these responsibilities;

the Committee sought the assistance of and continues to work with the Finance and Economics Committee to provide for essential public subsidies for the bus service. It strives to demonstrate that value for money and transparency is achieved;

the Committee does consult with Committees of the States, parish authorities, local bus user groups and other interested organisations in order to ensure that bus services meet the needs of the travelling public; and

has monitored the effectiveness of bus operations and published regular reports on the implementation of the bus strategy.

December 2003

CONNEX TRANSPORT JERSEY LTD.

PASSENGER CHARTER 2002

INTRODUCTION

Connex Transport Jersey Ltd. (hereafter Connex) and our staff, in conjunction with the States of Jersey, are committed to provide a service that is safe, reliable, comfortable and value for money for all of our passengers.

RELIABILITY

No bus should leave its terminus before its advertised time (unless for safety or other legitimate reasons).

No bus should operate more than 2 minutes before, or 10 minutes after its advertised time (unless for safety or other legitimate reasons).

ACCESSIBILITY

Connex are committed to improving the accessibility of our services so that they are easily available to all customers who may wish to use them.

CAPACITY

We review our loading points on a regular basis to ensure that we provide sufficient buses to meet demand, but if you are finding buses regularly full, passing your stop, please let us know.

CUSTOMER INFORMATION

When we modify a timetable, or change a route, we will publicise the change and issue a new timetable in advance of the change taking place. We will explain the reason for the change wherever possible and draw attention to any specific service implications.

Bus timetables, fares information and special offers will be provided on bus, at our office on the Weighbridge, and at other outlets frequented by our customers.

Where information is available at bus stops, it should be correct and up to date at all times. Should this not be the case, please let us know.

CLEANLINESS OF BUSES AND PREMISES

All buses in service will be cleaned and washed externally on a regular basis.

All buses will be internally valeted and deep-cleaned every 4 weeks.

The Weighbridge bus terminus will be cleaned daily.

JOURNEY COMFORT

In order to provide a pleasant on-bus environment, regular inspections will take place to ensure all buses have adequate heating, ventilation and lighting.

Our drivers are trained in safe driving techniques to optimise passenger safety while on our buses. Subject to road conditions and the behaviour of other road users, the bus should be driven so that braking and acceleration are smooth and sudden movements minimised.

SMOKING

The consumption of tobacco products on bus is illegal. Connex is committed to working with the authorities to ensure these regulations are complied with and a healthy environment is maintained on our buses.

ACCESS REFUSAL

Our drivers have the right to refuse travel to any passenger where in his or her opinion they will disrupt the journey of other passengers.

DOGS

Dogs are welcome on our buses but the driver has the right to refuse to carry any dog that in his/her opinion, is likely to cause inconvenience to other passengers, in particular if dogs are not kept on a lead. In no circumstances will a dog be allowed to occupy a seat.

LOST PROPERTY

Property found on our buses should be handed to the driver, or a company official.

The lost property will be held for one month before disposal.

Enquiries for lost property should be made at the company offices at the Weighbridge (Gosset Chambers, 6 Caledonia Place, St Helier, JE2 3NG) or by telephone [01534 877772].

EASY IDENTIFICATION OF ROUTE NUMBER AND DESTINATION

All buses should show the correct route number and destination at all times whilst in service and “Out of Service” when not.

CUSTOMER CONTACT

It is Connex policy that all staff should:

- Be polite and helpful to our passengers and members of the public at all times.
- Consider your safety and comfort when driving.
- Not smoke when on duty or in the public areas of our offices and depot.

CUSTOMER SUGGESTIONS AND COMMENTS

In order to help us improve the service we provide for you, we actively encourage feedback. Suggestions for service improvements and comments about existing services are vital to us if we are to achieve our objectives outlined in this Charter.

When sending a written comment please address it to The General Manager, Connex Transport Jersey Ltd., La Collette II, St Helier, JE2 3NX. We should send either an answer or a written acknowledgement of your letter within 5 working days. In any case you will receive a written reply within 15 working days.

If you are not satisfied with the reply, you can write to The Executive Director of Connex Transport Jersey Ltd. (at the above address) who will review your complaint.

CONSULTING YOU

Market research on our bus services will be carried out regularly. This research will consist of customer

interviews and observations by trained researchers. In addition we will carry out internal monitoring of changes in customer travel patterns by using data from the ticket issuing equipment.

FINALLY

Our Charter sets out our commitment to provide high standards of service to you, our customers. It does not create any new legal relationship with you and it does not affect your legal rights or obligations in any way.

Antoine Hurel
Chairman

BUS STRATEGY

**Lodged au Greffe on 3rd July 2001
by the Public Services Committee**



STATES OF JERSEY

STATES GREFFE

PROPOSITION

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

to approve the Bus Strategy as set out in the report of the Public Services Committee dated 3rd July 2001, and, in particular -

- (a) to agree that competitive bids for the operation of the Island's bus services should be sought from operators able to demonstrate appropriate experience in operating regulated bus services based on a minimum service specification governed by a Service Level Agreement between the operator and the Committee or any other body appointed by the States to regulate and licence bus services;
- (b) to agree that a licence of up to seven years should be awarded to the operator which best fulfils the specification and which is prepared to work in partnership with the States to enhance the quality of bus services in the Island;
- (c) to charge the Public Services Committee to prepare and present to the States for approval amendments to the Motor Traffic (Jersey) Law 1935, as amended, and any other legislation as appropriate, to give effect to the strategy and, in particular, to transfer the licensing and regulatory functions of the Committee to the Jersey Competition Regulatory Authority;
- (d) to request the Public Services Committee to investigate, and bring to the States for approval, proposals to provide for public subsidies for bus services where required in such a manner as to provide transparency and an assurance that value for money is being obtained;
- (e) to request the Public Services Committee -
 - (i) to consult with Committees of the States, parish authorities, local bus user groups and other interested organisations in order to ensure that bus services meet the needs of the travelling public; and
 - (ii) to monitor the effectiveness of bus operations, set targets for increasing bus usage, and publish regular reports on the implementation of the bus strategy.

PUBLIC SERVICES COMMITTEE

Note: The Finance and Economics Committee's comments are to follow.

REPORT

1. Introduction

- 1.1 Between its formation in September 2000 and April 2001, the Public Services Committee attempted to develop a voluntary Service Level Agreement (SLA) with the current bus operator, Jersey Bus. The objectives of the agreement were -
- to improve the quality of service provided to all residents of and visitors to Jersey to achieve a reliable, timely, more accessible, safe and good value service;
 - to improve the environment of Jersey (by reducing traffic congestion as well as noise and emissions pollution);
 - to develop a reliable and attractive form of transport for all residents to travel to and from work, school, the shops, hostelrys and restaurants, and to visit family and friends;
 - to encourage visitors to the Island to use the bus to visit the numerous tourist attractions, the parishes, the beaches and beauty spots.
- 1.2 The Committee believes that the development of a SLA for the Island's bus services is an absolute priority if local bus services are to be improved, that increased subsidies will be necessary to make bus travel more convenient, reliable and attractive, and that transparency and accountability will be required in the way public funds are expended in this area.
- 1.3 The Committee's Bus Strategy as drafted in the early months of 2001 accepted that the Island's bus services should be subject to a competitive tender. However, it was considered preferable to develop an SLA with the current operator, in order to bring about immediate improvements in bus services. Regrettably this process failed, and the Committee therefore revised its strategy. Its new approach, which has been supported by the Policy and Resources and Industries Committees, was announced in the States on 22nd May 2001.
- 1.4 Subject to the States' agreement to the proposals set out in its Bus Strategy, the Committee proposes to seek competitive bids from all parties which can demonstrate appropriate experience in operating regulated bus services, for the operation of the Island's bus services. Tenders will be based on a minimum service specification governed by a Service Level Agreement with the successful operator, and award of a licence for up to seven years to the operator which best fulfils the specification and which is prepared to work in partnership with the Committee and its consultants to enhance the quality of bus services locally.
- 1.5 The Committee believes that Jersey's bus services can best be provided by a sole operator. Jersey's bus network consists of a number of commercially viable routes, particularly the routes to the airport and Gorey, which cross-subsidise the unprofitable routes and services. With the Island's low level of bus usage, it is difficult to envisage a situation in which a number of operators would compete against each other across the whole network. A seven-year licence period has been recommended to the Committee as providing the successful bidder the opportunity to invest in vehicles, as well as providing much-needed stability in the provision of the Island's bus services.
- 1.6 There is a significant amount of work to be done in a short space of time if the Island is to enjoy a period of stability in the provision of bus services, the benefits of increased private investment and public subsidy, the delivery of quality bus services by an operator which has incentives to meet and even to exceed its performance targets, the assurance that the tax payer is getting value for money, and the improvement in the quality and range of bus services locally that the public expect if they are to switch at least some of their journeys to the bus. The Committee wishes to know that its broad strategic approach is acceptable before undertaking the period of intensive work which will be necessary to achieve this.

2. The Minimum Service Specification and the Service Level Agreement (SLA)

2.1 The Committee is engaging expert public transport consultants to assist in drawing up a customer-focused Island-wide indicative service specification laying down minimum service standards, and including incentives for new investment and service innovation. It is likely, at least initially, that the specification will be similar to the present network; although, the specification will not be too prescriptive, in order to accommodate innovative suggestions from potential operators. However, certain key features are likely to appear in the specification -

- route details;
- service spread (first and last buses);
- days of week of operation;
- service frequency;
- customer-care training;
- vehicle capacity, accessibility and other features such as provision of displays, on-board information, facilities for luggage, etc.;
- passenger charter and public consultation process;
- emissions policy compliance;
- seasonal variations;
- performance indicators;
- open book accounts and reporting.

2.2 The SLA is a formal document which highlights the agreed service provision and quality standards expected by the regulator from the provider of services in return for an agreed level of financial remuneration. The key phrase within an SLA is “Agreement” - all parties must reach an agreement otherwise the SLA will not be operable or be effective. They must be aware of and fully understand the objectives and process of forming the SLA and of course it must be realistic. In essence, it is a partnership where both parties must work together collectively to achieve the desired and agreed objectives as well as its process. It will involve intensive negotiation between the two parties. In this case, it will form part of a formal contract and be used within a service specification.

The SLA above all will be customer-focused. It will ensure that the user’s needs are addressed as practically as possible and will also recognise that different clients will have different needs (e.g. tourist and resident). It will incorporate a cost-effective monitoring mechanism so that the States can ensure that they are getting value for money and achieving their strategic aims, and, where public money is involved, a right of audit.

A draft SLA covering a minimum service level specification for the Island’s bus services has been prepared by the Committee and is available to interested parties.

3. The competitive tender process

3.1 Subject to the States’ approval of its Bus Strategy, the Public Services Committee proposes, immediately upon receiving approval, to invite expressions of interest from reputable bus operators locally, in the

United Kingdom and in continental Europe, for the provision of bus services in Jersey. To progress this work, the Committee proposes to expand its Steering Group (currently three members of the Committee and the Vice-President of the Finance and Economics Committee) to include a representative of the Industries Committee, the President of the Jersey Transport Authority, and a transport consultant.

- 3.2 Both the constraints and the opportunities of the local bus market will be made clear in a scoping document to be made available to interested operators. Constraints will include: high labour and accommodation costs and inflation rate; falling usage by visitors; low volumes of local passengers; relative cheapness of private motoring and parking charges; width restriction on local roads; Opportunities will include States' transport and environmental policies which support the enhancement of local bus services, and the consequent potential for growth in local bus ridership; States' commitment to the provision of new infrastructure including bus shelters and the Transportation Centre; the expressed willingness of the States to secure subsidies for bus services where transparency and value for money can be demonstrated; the potential for integrating school and scheduled bus networks; the potential for a successful flagship bus operation in a high profile offshore finance centre and tourist destination.
- 3.3 Funding issues will need to be clearly addressed in the scoping document. Operators competing for the contract will, in effect, be required to take part in a negative price auction, with the winner bidding for the lowest level of taxpayers' subsidy needed to sustain the given level of minimum service provision required. Shortlisted operators will be interviewed and an SLA negotiated with the preferred bidder. The Committee believes that it should aim to finalise arrangements with the preferred operator by the end of 2001 so that a new bus service for the Island can be put in place in Spring/Summer 2002.

4. Legal issues and regulation

- 4.1 Following advice from the Crown Officers, the Committee proposes to make a number of changes to the Motor Traffic (Jersey) Law 1935. These will include -
- defining and differentiating responsibilities between the traffic policy administering authority (Public Services Committee) and the regulating authority;
 - providing the vires for the States to offer financial support for transport measures (subsidies, grants, concessions, etc.);
 - providing the vires for Service Level Agreements and exclusivity clauses;
 - providing the vires for competitive tendering;
 - providing for penalties for non-compliance by an operator in aspects of providing services;
 - revising the current licensing process.
- 4.2 Interim changes to the current legislation will be required immediately to permit the strategy to be progressed, while making provision for existing services to continue. Approval of these interim changes will be sought from the States if the Bus Strategy is accepted.
- 4.3 The Committee understands that the newly established Jersey Competition and Regulatory Authority will be in a position to take on the regulation of bus services, subject to the necessary law changes, and it intends to bring a Report and Proposition to the States to enable the transfer of this function to the JCRA as soon as this is practicable.

5. Funding

- 5.1 Following the States' approval of the Committee's Sustainable Transport Policy in 1999, a financial appraisal of that policy has been prepared by the Department with the assistance of consultants. Taking its

cue from recent Budgets, the findings of the Fiscal Review Working Group, as well as from funding arrangements for improved bus services elsewhere, the Public Services Committee proposes to set up a Transport Fund to provide a ring-fenced source of funding for local transport initiatives, including the targeted subsidies that will be necessary if bus travel is to become an acceptable alternative to the private car, at least for some journeys. As envisaged in the recent draft consultation document on the Island Plan, this approach may involve the requirement, through conditions of planning consent, for developers, in certain circumstances, to make financial contributions to the Transport Fund where appropriate. The Committee is examining a number of potential revenue streams which could also contribute to the Fund.

5.2 The Committee has received the full support of the Finance and Economics Committee in its wish to bring forward detailed proposals for raising the revenue required for this purpose, and, subject to the States' in principle approval of its Bus Strategy, officers of both Departments will continue working on the arrangements for the Transport Fund, with the aim of presenting a Report and Proposition to the States as soon as possible. The Committee recognises that, in future, the public subsidy of bus services, where required, must be arranged in such a way that will provide transparency and the assurance that value for money is being obtained.

5.3 The Committee recognises that the States is required to reduce levels of public spending. However, public spending on public transport is largely non-inflationary. It delivers user and non-user benefits. Indeed, increased use of public transport if coupled with other traffic reduction measures will be good for the local economy, cutting congestion costs for local businesses. It will play its part in environmental protection. It will promote social inclusion, and enhance the social lives of the community, especially among children and other non-drivers. It will also assist in the implementation of the Tourism Strategy, providing a bus service comparable, if not superior, in quality and value for money as our visitors are accustomed to using at home.

5.4 The Committee intends to identify where there is a need for the targeted subsidy of services which provide valuable links to places, or at times, which would not otherwise be provided, and where public investment is required to make the necessary improvements in transport infrastructure. The town Hoppa bus, for example, as was provided by Route 88 in the 2000/1 Jersey Bus timetable, was not frequent or cheap enough to provide the level of service which, as the experiment during 1999 confirmed, is desired by the travelling public. In this case, subsidy would be required to bridge the gap between what can be operated commercially and what is considered appropriate socially. Equally, States' subsidy could be used to cushion the bus user against fare increases caused by factors beyond the Operator's control such as increased fuel costs. It is recognised that the States and the public expect a high degree of transparency in the expenditure of public funds, and that, in particular, the operator's accounts will need to be of an 'open book' nature. The States will hold a right of audit over the operator and a right of on-bus survey.

5.5 In particular, the arrangements must guard against shoring up inefficient or unattractive practices that continue to render the bus network unattractive to passengers and potential passengers. Incentivisation will be key. Rather than direct subsidy, it may be appropriate to introduce a form of productivity bonus or "availability payment" system that enables investment in new vehicles, and rewards service level improvements. Depending on the type of subsidy arrangements, it may be appropriate to introduce revenue incentive bands where, on subsidised services, the operator is allowed to retain a proportion of any additional revenue above estimated levels.

6. Interim arrangements

6.1 The current operator, Jersey Bus, will be able to take part in the tender process if it wishes so to do.

6.2 Concern has been expressed by Trade Union officials on behalf of their members working for the current bus operator in respect of their job security. The Committee would expect that the routes and services to be provided from the commencement of the new operation in spring/summer 2002 would be similar to those that existed in the summer 2000, and that the delivery of the enhanced level of Island bus services as described in the Sustainable Transport Policy (P.60/99) is likely to require increasing numbers of personnel. Further, the implementation of a long-term quality partnership for the provision of a better bus

service in Jersey will lead to a much higher level of job security for employees in this sector than existed before.

6.3 The Committee is aware of the risk that the current operator may make further cuts in services in their winter timetable, unless States' subsidy is provided. In particular, there is likely to be a reduced level of service provided by the current operator's 'winter' timetable, i.e., October 2001 to May 2002, unless subsidies are provided by the States to cover unprofitable routes. The Public Services Committee has always been willing to negotiate with the current operator about subsidies, but States members will recall that inspection of the company's accounts prior to the cuts in the summer timetable revealed that value for money would not be assured if the subsidies demanded by the operator were paid. The Committee will do all it can to ensure that adequate bus services are provided in the coming months prior to the commencement of the new operation.

7. Other issues

7.1 The Committee would intend to consult widely on the strategy as it develops. Similarly, monitoring and reporting progress to stakeholders will be essential.

7.2 The Bus Strategy will form part of the wider Integrated Sustainable Transport Policy, and there will be opportunities to link the Bus Strategy with other significant initiatives. In certain cases, these linking strategies will be essential. For example, it is important that new footways are provided on routes that currently have none, that residents' parking is progressed so that town residents can leave their cars at home and use a Hoppa bus, and that a Parking Strategy is developed and implemented, covering both public and private sector parking, which will complement the aims of the Bus Strategy.

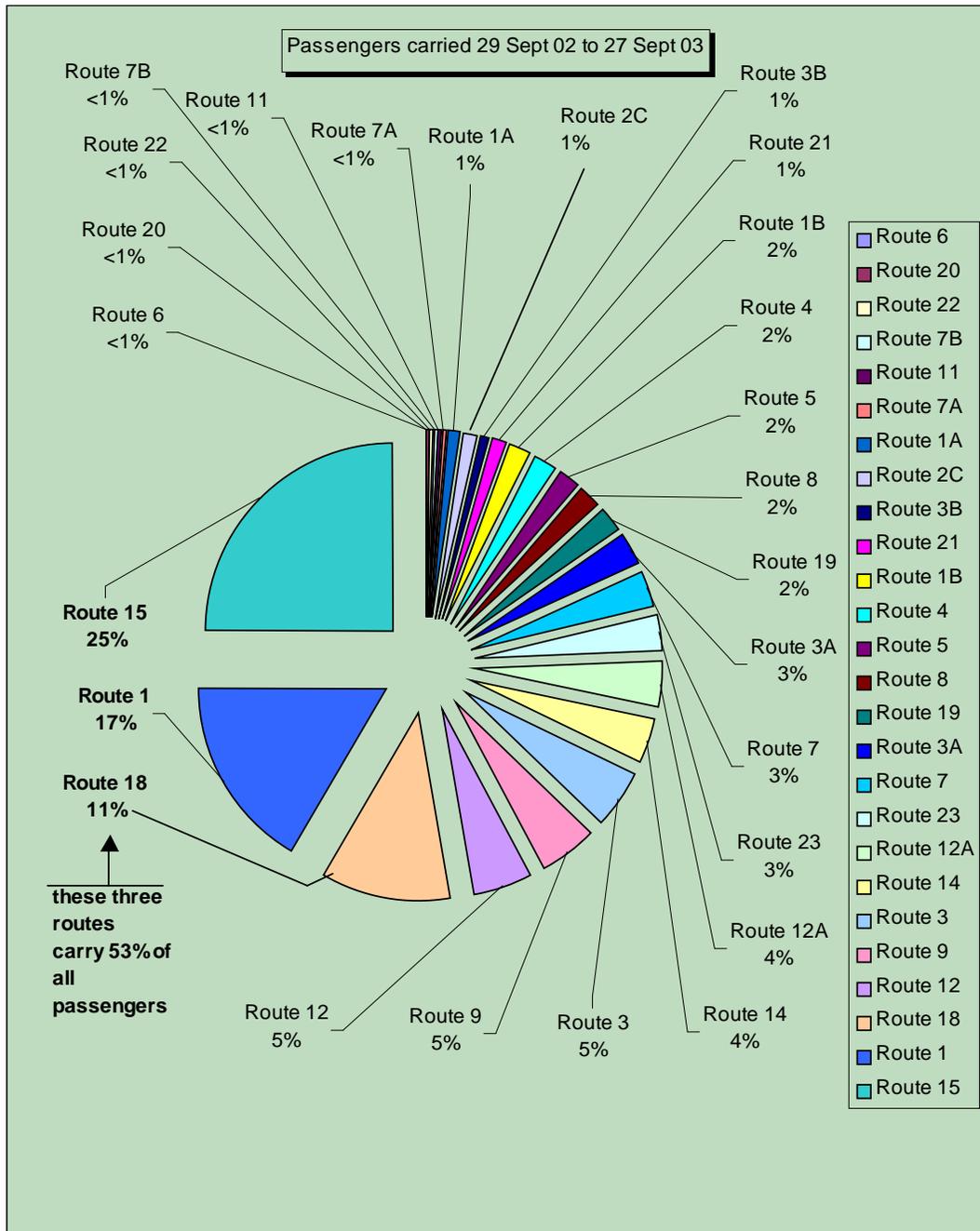
7.3 There are no immediate human resources implications for the States in the Strategy. However, the Committee would wish to appoint a Public Transport Co-ordinator from within its existing human resources.

7.4 It is not expected that there are any human rights issues that will emanate from the Strategy.

3rd July 2001.

ALLOCATION OF PASSENGERS CARRIED BY ROUTE

NB. Routes 7b, 8A and 20 are essentially tourist orientated and were inoperative from 26th October 2002 until 24th March 2003. Route 3B is a commuter variation on Route 3A. Route 11 was the 4 month experimental summer service to the Harbour and Waterfront.



ROUTE DESTINATIONS

Winter Services:

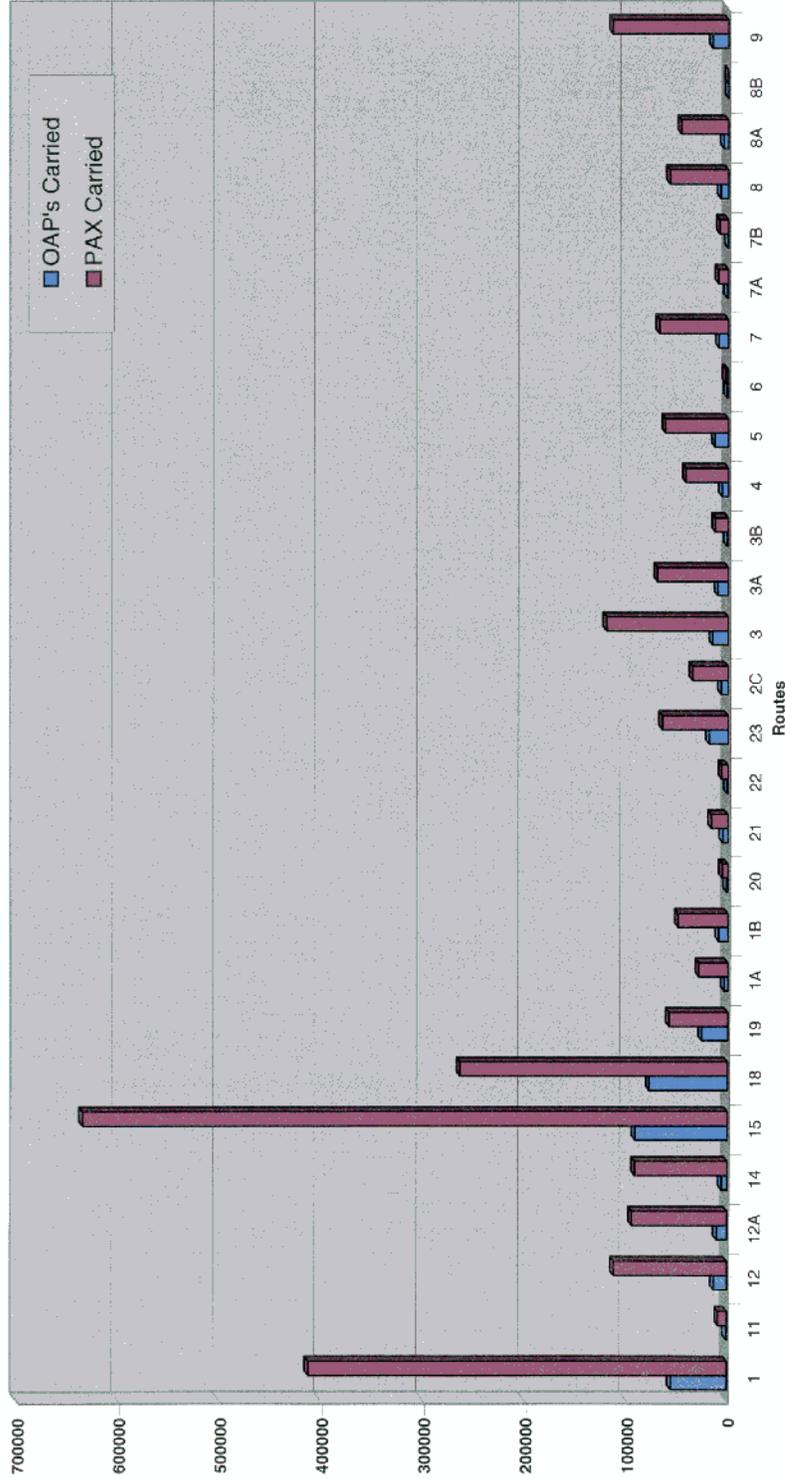
- 1** to Gorey via St. Clement Coast Road
- 1B** to Gorey via Longueville
- 2C** circular route to Grouville Station via Longueville and return via St. Clement Inner Road.
- 3** to Rozel via Maufant and St. Martin
- 3A** to Zoo via Mont Millais, St. Saviours Hospital and St. Martin
- 3B** to Zoo via St. Saviour's Road, Maufant and St. Martin's Arsenal
- 4** to Bonne Nuit Bay via Trinity
- 5** to St. John's Village and extension to St. Mary's Church off-peak
- 6** to St. Andrews Road, First Tower via St. Saviour's Road and Rouge Bouillon
- 7** to Devil's Hole via St. Lawrence and St. Mary
- 7B** to Plemont via St. Lawrence, St. Mary and St. Ouen Villages
- 8** to Gronez via St. Peter's Valley and St. Ouen's Village
- 8A** to War Tunnels and Living Legend
- 9** to Greve de Lecq via St. Peter
- 12** to Corbiere via St. Brelade's Bay
- 12A** to L'Etacq via Portelet Inn and St. Ouen's Bay
- 15** to Airport via St. Aubin and Red Houses
- 18** to Le Marais Estate via Havre des Pas
- 19** to General Hospital, La Pouquelaye, Overdale and Crematorium via Chestnut Lea
- 20** to St. Catherine via Langley Park and La Hougue Bie
- 21** to Victoria Village
- 22** to Rue des Pres
- 23** to Zoo via Langley Park and St. Martin's Public Hall

Summer Services:

- 1** to Gorey via St. Clement Coast Road
- 1A** to Gorey via St. Clement Inner Road
- 1B** to Gorey via Longueville
- 2C** circular route to Grouville Station via Longueville and return via St. Clement Inner Road.
- 3** to Rozel via Maufant and St. Martin
- 3A** to Zoo via Mont Millais, St. Saviours Hospital and St. Martin
- 3B** to Zoo via St. Saviours Road, Maufant and St. Martin's Arsenal
- 4** to Bonne Nuit Bay via Trinity
- 5** to St. John's Village and extension to St. Mary's Church off-peak
- 6** to St. Andrews Road, via St. Saviour's Road - withdrawn 1st June 2003
- 7** to Devil's Hole via St. Lawrence and St. Mary
- 7A** to St. Mary's Church via St. Lawrence
- 7B** to Plemont via St. Lawrence, St. Mary and St. Ouen Villages
- 8** to Gronez via St. Peter's Valley and St. Ouen's Village
- 8A** to War Tunnels and Living Legend
- 8B** Jersey Pottery – Gorey Pier – Zoo – Living Legend (1 journey only, middle of day)
- 9** to Greve de Lecq via St. Peter
- 11** to Elizabeth Terminal and Waterfront
- 12** to Corbiere via St. Brelade's Bay
- 12A** to L'Etacq via Portelet Inn and St. Ouen's Bay
- 14** to St. Brelade's Bay via St. Aubin
- 15** to Airport via St. Aubin and Red Houses
- 18** to Le Marais Estate via Havre des Pas
- 19** to General Hospital, La Pouquelaye, Overdale and Crematorium via Chestnut Lea
- 20** to St. Catherine via Langley Park and La Hougue Bie
- 21** to Victoria Village
- 22** to Rue des Pres - withdrawn 1st June 2003
- 23** to Zoo via Langley Park and St Martin's Public Hall

APPENDIX 4

Total Passengers & Concessionary Journeys For The Period 29-09-02 to 28-09-03



Some routes were cut because of very low usage. These include the Nos:6 &22 which were cut on June 1st, although the No:22 was reinstated as a commuter service on September 29th. The No:20 was cut on September 28th, after a disappointing summer. The No:11 was a high summer months experimental service to the Harbour from June 1st to Sept 27th.

ACKNOWLEDGEMENTS

Statistics for Bus Services in Jersey – Connex Transport Jersey Ltd 2002/3.

Subsidy Comparisons per Passenger Journey – Office of the Deputy Prime Minister, 2002.

Other Relevant Statistics – Public Services Department.