

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November, 2026

Proposition No. P. 2026/82

Policy & Resources Committee

The States of Guernsey Annual Budget for 2026

AMENDMENT

Proposed by: Deputy S Rochester

Seconded by: Deputy R Le Brun

1. To insert, in Proposition 16, immediately after the words “paragraph 6.27” the following words “, subject to an additional £1.9m for the Committee *for the* Environment & Infrastructure for the purpose of providing a one year pilot project providing free bus transportation”.
2. To insert, in Proposition 17(b), immediately after the words “paragraph 6.27” the following words “, subject to an additional £1.9m for the Committee *for the* Environment & Infrastructure for the purpose of providing a one year pilot project providing free bus transportation”.

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans by providing adequate funds for the pilot of a free bus service for one year in support of the integrated transport strategy.
- b) In preparing this proposition consultation has been undertaken with the Committee *for the* Environment & Infrastructure and the Policy & Resources Committee.
- c) The proposition has been submitted to His Majesty’s Procureur for advice on any legal or constitutional implications.
- d) The financial implication of carrying out this amendment would be an increase in expenditure of £1.9m.

e) Drafting advice has been sought from the States' Greffier.

Explanatory Note

This amendment seeks to increase the budget of the Committee for the Environment & Infrastructure by £1.9 million to enable the existing public transport service to be made available free of charge, or subject to a nominal annual fee, to all members of the community for a one year pilot.

The amendment is intended as a time limited, targeted and tangible community benefit arising from the significantly improved short-term financial position created by higher-than-anticipated Pillar 2 revenues. The Budget report notes that revised forecasts have increased expected Pillar 2 income substantially, with forecast revenues of £79 million in 2027, creating additional short-term fiscal capacity, whilst recognising that such revenues are uncertain and may reduce over time as businesses adapt to the new international tax environment.

The proposal uses a relatively modest proportion of this unexpected revenue windfall to deliver an immediate and visible cost of living benefit to islanders. Unlike permanent increases in recurrent public expenditure, this amendment directly supports a strategic objective already adopted by the States through the Integrated Transport Strategy while providing measurable benefits to households and the wider economy. The Budget itself recognises that Pillar 2 revenues may appropriately be used for initiatives which support economic participation, remove barriers to participation in the economy and improve infrastructure and connectivity.

Cost of Living Benefits

The introduction of the Tax Reform package in 2029 will increase the tax burden on many households. Against that background, it is important that islanders are able to see practical benefits from the improved government revenue position now available.

Free public transport would provide a direct reduction in household expenditure, particularly for lower and middle income families who are disproportionately affected by transport costs. It would reduce the need for regular fare expenditure for commuters and other frequent users of the bus network.

The measure would be especially beneficial at a time when the Budget acknowledges continuing pressures on household finances arising from inflation, housing costs and wider cost-of-living challenges. The report notes that high housing costs and persistent inflation continue to constrain household finances and that improvements in real purchasing power are expected to be gradual. Key drivers for the cost of living crisis in Guernsey arise from housing, food, fuel and energy and transport. Addressing all but transport requires medium

to long term policy delivery. Transport we can start to tackle now and our community can feel the real benefits now.

Supporting the Integrated Transport Strategy

The amendment would also accelerate delivery of the objectives of the Integrated Transport Strategy by encouraging greater use of public transport and reducing reliance on private vehicles which congest our roads on a daily basis increasing pollution, driver stress and reducing economic activity.

The Committee for the Environment & Infrastructure currently budgets approximately £5.7 million for passenger transport services. Removing fares would remove one of the principal barriers to bus use, increase patronage and help normalise public transport as a first-choice mode of travel for more islanders.

Increased bus use would contribute towards wider transport policy goals including:

- Reducing traffic growth.
- Encouraging modal shift away from private vehicles.
- Improving accessibility for those without access to a car.
- Supporting environmental and sustainability objectives.
- Increasing transport equity across the community.
- Reducing combustion emissions from transport as the bus fleet moves to zero emissions.

Delivering a Community Dividend from Pillar 2

Much of the discussion around Pillar 2 revenues has focused on fiscal sustainability and economic development. While these remain important priorities, there is also a strong case for ensuring that the wider community shares in the benefits arising from this unexpected revenue improvement.

Free public transport would provide a highly visible and universally accessible benefit that would be experienced daily by residents across all parishes. It would demonstrate that the proceeds of Pillar 2 can be used not only to strengthen public finances but also to improve the daily lives of islanders.

Limitations on Progressing the Integrated Transport Strategy

This amendment also recognises that significant obstacles, such as infrastructure limitations, resistance to paid parking and a paucity of island wide mapping and subject matter expertise, continue to hinder progress toward the full ambitions of the Integrated Transport Strategy. This is an immediate action that can be taken that not only supports the move to more sustainable transport but does so on a time limited basis to understand whether it's effects would represent value for money. At a time when cost of living is impacting our community it is the right time to trial such a pilot.