



Towards Integrated Rural Transport

Achieving More for Less

A Submission to Government from the Rural Transport Network

9 August 2011

TABLE OF CONTENTS

KEY MESSAGES AND TEN-POINT ACTION PLAN

MAIN SUBMISSION

1. PUBLIC TRANSPORT SERVICES – A KEY ENabler.....	1
2. PUBLIC TRANSPORT SUBVENTION IN IRELAND	3
2.1 <i>Current Subvention of Passenger Transport</i>	3
2.2 <i>Rural Transport Programme</i>	3
2.3 <i>The RTP and VFM</i>	5
3. RE-CONFIGURING PUBLIC PASSENGER TRANSPORT SERVICES	8
3.1 <i>Issues About the Current Arrangements</i>	8
3.2 <i>Potential Benefits of More Co-ordination and Integration</i>	8
3.3 <i>Potential for Cost Savings</i>	9
4. TRANSITION TO MORE INTEGRATED SERVICES.....	11
4.1 <i>Overview</i>	11
4.2 <i>General Approach</i>	11
4.3 <i>National Level – Principal Changes</i>	12
4.4 <i>Local Level – Principal Changes.....</i>	12
4.5 <i>Proposal Transition Unit – The Key To Success</i>	13
ANNEX 1 LIST OF ABBREVIATIONS	
ANNEX 2 STATISTICAL TABLES	
ANNEX 3 LIST OF SOURCES	

Key Messages

- In 2011 the Rural Transport Programme (RTP) is receiving €10.6mn from the Department of Transport, Tourism and Sport. This will involve an average Programme allocation per group of approximately €257,000, with this ranging from a high of €639,000 to a low of €150,000.¹ The Programme constitutes under 2% of all Government subvention to public and quasi-public transport in Ireland;
- RTP funding is used to provide local transport services via the 36 Rural Transport Companies around the country. Reflecting its mandate, the Programme provides nearly 1.5mn passenger trips annually, primarily for older persons living in rural areas and with limited access to other transport services;
- In the context of the current financial crisis generally, and the Comprehensive Review of Expenditure (CRE) in particular, Rural Transport Network (RTN) members recognise the need for budgetary tightening and increased value for money (VFM). In this regard our overhead costs are falling as a share of the Programme, and during 2011 we are planning a series of further initiatives in this regard, including:
 - greater synergies with other existing transport providers via the Department's Local Integrated Transport Services (LITS) initiative;
 - greater cost recovery in terms of fares and subventions from other organisations benefitting from the RTP;
 - developing an Irish model of community car services, to make greater use of potential voluntary resources and Ireland's high level of car ownership in rural areas;
 - consolidation of Companies in order to increase economies of scale and improve impact.
- Looking ahead, RTN members assessment is that the medium-term future of the RTP must be considered in the context of all public transport subvention and planning in Ireland, and not in isolation. In any future form the Programme, while retaining a special focus on the needs of excluded members of society, must be seen as part of a better integrated and hence more efficient national public passenger transport network as a whole. We need to be in the transport and not just the inclusion "space";
- We therefore support the concept of a three-year "transition period" for the Programme, including a second LITS period. However, for maximum effect, it must be clear what we are transitioning to, and increased integration must allow for reconfigured structures, not just co-operation within the status quo;

¹ Exc. Pobal management costs

- We therefore think the transition period and process should encapsulate public passenger transport in Ireland generally. The aim should be a more integrated policy, regulatory, and funding approach across the full public transport spectrum, with the RTP as part of this. This proposal reflects our experience that, while short-term economies can be achieved by the different elements of the transport system separately, full efficiencies and cost savings can only come about by planning and developing the national passenger transport system as a whole on an integrated basis;
- We also believe that the present climate, while challenging, also constitutes a one-off opportunity to address the series of legacy issues in relation to Irish public transport policy, regulation and subvention which gives rise to current service fragmentation. Opportunities include the focus provided by the Comprehensive Expenditure Review, establishment and roll-out of the National Transport Authority (NTA), recent VFM reviews of School Transport and the RTP,² development of a standardised HSE non-ambulance patient transport policy, and the planned roll-out of LITS. These developments dovetail with the Government's wider commitment to better regulation, better resource utilisation, and improved transport services – while not losing sight of the transport needs of the most needy in our society;
- We therefore propose that a clear medium-term vision should inform short-term decisions, and that the necessary short-term decisions should avoid the type of piecemeal ad hoc approach that has contributed to the difficulties currently faced, both by the transport sector and by the economy as a whole. So a clear, ambitious, imaginative and whole-of-government approach is much needed and now very timely for this key sector;
- Major dimensions of such a wider approach would be:
 - that the present multiple separate streams of public subvention of passenger transport (Córas Iompair Éireann (CIE)) Group subvention, Free Travel Pass (FTP), School Transport Scheme, Health Service Executive (HSE) non-ambulance patient transport and the RTP) be pooled or better integrated at central level, via the DTTAS;
 - that management of all, or most, public subvention be gradually transferred to a ramped-up NTA and dispersed by it on an open and transparent basis;
 - that in discharging its functions, the NTA should be supported by local level Transport Planning and Management Units (TPMUs), broadly modelled on the existing National Roads Authority (NRA)/local authority regional design offices, in relation to the national passenger transport network;
 - that the resources, skills and practical operational experience of the existing RTN Company can constitute a basis of this NTA sub-national structure;
 - that the planned roll-out of the LITS can be utilised and focused on this wider context, with the RTN as a formal part of the process (which it currently is not).

² At the time of writing, the RTN has not had access to the VFM Report on the RTP.

Ten-Point Action Plan

To give effect to this vision of the future, a series of key actions as set out below should now be taken by the Government through the responsible Minister.

- **Action 1:** Include RTN as an integral part of upgraded LITS process.
- **Action 2:** Establish a small, temporary, Local/Rural Transport “Transition Unit” in the Department of Transport, Tourism and Sport, with suitably skilled staff seconded from NTA and RTN Members, to oversee a three-year transition period.
- **Action 3:** Plan transfer of the Pobal rural transport role to NTA by end of transition period.
- **Action 4:** Resource NTA to take on this responsibility fully by end of year 3.
- **Action 5:** Direct the NTA to develop a regulatory and funding framework for local, including rural, transport services.
- **Action 6:** linked to Task 5, task NTA to develop a local-level structure to plan and oversee delivery of local transport services, using RTN Membership as a nucleus of this structure.
- **Action 7:** Address pooling of all major national earmarked transport funding via DTTAS and NTA.
- **Action 8:** Undertake planning for procurement by NTA of School Transport after transition period.
- **Action 9:** Liaise with the Department of Environment, Community and Local Government regarding preparation of local transport service plans for each Council area, as per the Programme for Government.
- **Action 10:** Task new Unit to oversee a consolidation process of Rural Transport Companies, allowing each one to consider its own preferred future within the new configuration.

Rural Transport Programme Companies, 2011



Main Submission

**This Submission was drafted on behalf of the Rural Transport Network (RTN) by
Fitzpatrick Associates, Economic Consultants.**

1. Public Transport Services – A Key Enabler

Passenger transport services are a vital enabler of most economic and social activity. They determine people's level of access to work, education, family and friends, leisure, medical and social services. They thus have a major impact on quality of life generally.

As a consequence, there is a long tradition in Ireland and elsewhere of state intervention in transport service provision. This generally involves a range of interventions: public ownership of physical infrastructure (railways, roads, streets); ownership of some transport operators; regulation of transport operators inc. buses and taxis; strategic-level transport and spatial planning; and subvention of public and private operators on some non-economic routes.

Recent decades have seen a decline in the direct state ownership role in many western economies, with private investment in motorways, privatisation of transport companies and more recently pressure on public subventions.

However, state regulation and subvention remain strong in passenger transport services. There are a series of inter-related rationales for this continued level of intervention:

- **customer information and protection**, which motivates continued regulation of service standards and quality, including accessibility;
- **an environmental sustainability argument**, including reducing carbon emissions, and with an associated desire to move people away from the usage of private cars towards public transport;
- **a spatial planning argument**, with both sustainability and service quality improved by having co-ordination between spatial and transport planning, i.e. in relation to where people live, where they work or recreate, and how they move between them;
- **a rural development argument** which emphasises that maintenance of rural communities is enhanced if they continue to have access to some level of public transport service;
- **a social inclusion argument** that vulnerable groups, especially the minority without easy access to a car, particularly in remoter areas, need some level of public transport to ensure access to key services and independent living generally.

While all rationales have been present in Irish public transport policy, over the last decade environmental and social inclusion factors have become particularly prominent. In line with international thinking, part of this has been increasing realisation that conventional fixed scheduled

public transport services are not a full response to all transport needs. These also require use of smaller vehicles and more flexible services in some areas, both urban and rural.³

The role of local, flexible and accessible transport services is particularly pertinent in Ireland, with a relatively large rural population, relatively few and small urban centres, and a very extensive network of rural roads. Furthermore, and crucial for transport services, much of the Irish rural population tends to live in dispersed houses rather than being concentrated in villages. This makes provision of even minimal public transport services particularly challenging.

As argued in the rest of this Submission, Irish Government intervention in public transport services generally, and in public bus transport in particular, today involves a legacy of often long-established arrangements built up on a relatively ad hoc basis. This includes rural transport services which, after more than a decade of piloting, is still not placed on a clear regulatory and policy footing. Given the correct prioritisation of the present Government on value for money, on better regulation, on reform and on the correction of accumulated difficulties in the economy, subvention of passenger transport now needs re-thinking, re-configuration, and ultimately more efficient and effective resource use.

The current economic and fiscal climate is not only a challenge but also an opportunity to address lingering passenger transport policy, regulation and funding issues. This is necessary in order to provide both short-term savings and also better medium-term value-for-money, sustainability and service quality. The RTN hopes it can be part of such a transition.

³ Public transport, strictly speaking, refers to transport which is available to all potential users, irrespective of whether the operator is publicly or privately owned, and whether or not it is in receipt of public subvention. Some forms of transport which target specific groups, e.g. school transport, are not strictly speaking public transport.

2. Public Transport Subvention in Ireland

2.1 Current Subvention of Passenger Transport

In 2009, the most recent year for which full figures are available, a total of about €575mn was spent by the state on passenger transport services, equivalent to about €134 per capita. This figure relates to ongoing annual subventions. It excludes capital investment in the CIE group, grants for purchase of private cars by people with disabilities, and grants to NGOs for vehicle purchase.

The main components of ongoing subvention are: Public Service Obligation (PSO) subsidies to the CIE Group (€303mn), the School Transport Scheme (€185mn) and the Free Travel Pass (€73.5mn). Together these “big three” account for about 95% of the total. The vast majority of all subventions are to, or channelled through, the CIE Group. The RTP subvention (€11mn) constituted 1.9% of the total. The Programme also received €1.5mn of FTP funding – 2% of the total. Subvention figures have of course declined in both 2010 and 2011.

The HSE is also to date a significant spender on patient transport of a non-ambulance nature. However, no firm data are available on this and (depending on how they are done) estimates can range from €25mn to €100mn annually – hence a mid-point figure of €62mn is used here.

2.2 Rural Transport Programme

One of the innovations in public transport over the past decade has been the RTP, and its predecessor The Rural Transport Initiative. The RTP was from the outset tasked to specifically address the transport needs of excluded persons, particularly those living in remoter rural areas with no, or limited, access to either private or other public transport.

The funding, provided via the Department of Transport, Tourism and Sport vote, is administered by Pobal through the network of 36 local community-based Rural Transport Companies. The RTN is the membership organisation for these companies.

Pobal is an intermediary agency with a primarily social exclusion focus and expertise, and now reporting to the Department of the Environment, Community and Local Government. Its administrative costs are funded from the total RTP allocation, estimated to be about 10% of the annual budget.

Rural Transport Companies are non-profit local entities. Many are associated with pre-existing rural or local development organisations, others are stand-alone companies, while one operates within a local authority. All have close links with the other local players including HSE, local authorities, local transport providers, and community and voluntary bodies.

In 2010 the Companies had a total of 190 persons employed, including full and part-time staff, a total of about 131 full-time equivalents. Over 1,000 volunteers are also involved. Through its procurement of services from local transport providers, it also supports many other people working in the private sector.

A small number of Companies own and operate their own vehicles but most contract in services from local bus, minibus or taxi companies. About 80% of all services are semi- or fully-scheduled, with the balance fully demand-responsive.

Patronage has grown steadily, from 305,200 journeys in 2005 to 1.4mn in 2010. Users strongly reflect the RTPs mandate. Passengers are predominantly female (66%), and over 65 (nearly 56%). A high proportion are eligible for the FTP.

In accordance with the policy of successive governments, RTP Companies place a strong emphasis on accessibility. Pobal estimates that about 80% of vehicles are fully or partially accessible, and over 10% of passengers require assistance to travel. Many services have passenger assistants on board.

RTP: KEY FACTS AND FIGURES, 2010	
Passenger Journeys – total	1,421,825
Breakdown of Passengers:	
– male	34%
– female	66%
– over 66	56%
– Free Travel Pass	62%
Nature of Services	
– Scheduled (inc. semi)	81%
– Demand responsive	15%
– Special	4%
Source of Vehicles	
– Company owned	10%
– Contracted	86%
– Community car	4%
Persons employed	
– full and part-time	190
– full-time equivalent	131
Volunteers	1,162 ¹
¹ 2009 figure	
SOURCE: POBAL	

From the outset, the RTP and its predecessor has been the subject of a considerable number of independent reviews and evaluations. These have generally found the Programme to be successful in both achieving its objective and in piloting and learning from new approaches to the delivery of more flexible services in local areas. Issues have also been consistently raised around the structure of so many small groups – although new small groups continued to be approved nationally. The level of linkage with other local providers has also been a consistent theme, and much progress has been made. However, national-level obstacles were a major barrier.

RTN members have built up considerable expertise and experience in rural and local transport service planning and management, and many are run by qualified transport managers. A recent survey by RTN indicates that nearly 30 staff members hold a professional qualification (Certificate of Professional Competence) in transport planning. This is an important resource available to further develop and professionalise local transport service planning as proposed in this Submission.

From a regulatory viewpoint, RTP services have up to now been generally treated as “private hire” services, i.e. they have not been required to go through the normal route licensing process. Typically, services provided under the RTP have instead been subject to contractual arrangements established following competitive tendered processes. This is unlike other bus passenger services, in respect of which licences are mandatory. However, some companies have nonetheless opted to be part of the passenger licensing regime and hold passenger licences for their services.

The enactment of the Dublin Transport Authority Act 2008 and the Public Transport Regulation Act 2009 provide both a legislative basis and the potential for the licensing of RTP services. However, the National Transport Authority has so far not moved to formally licence RTP services.

2.3 The RTP and VFM

The RTN recognises that Ireland currently faces a national financial crisis of unprecedented proportions. Value-for-money is therefore the current imperative in all public policy and expenditure.

Challenges already identified in relation to the RTP have included the small scale of many individual Companies, the lack of a clear regulatory basis, and difficulties in establishing linkages to mainstream service providers. The Department of Transport, Tourism and Sport-led LITS project, piloted in 2009/10, was designed to explore and advance such links. Progress was made at individual pilot level, and it is now planned to roll this out nationally. While useful, the LITS envisages existing structures, whereas the RTN believes these structures themselves need re-configuration if real progress in relation to both service quality and financial savings is to be achieved.

From the outset, the VFM issue has arisen in relation to the Programme. These concerns have reportedly been repeated in the recently drafted Departmental Value-for-Money Review of the Programme (not available to the RTN at the time of the making of this Submission).

In the case of overhead costs, Pobal calculates that Companies' overheads in 2010 constituted 18% of total expenditure. This was a reduction from 22% in 2009 and 2008, and 26% in 2007, see Annex 2, Table 2 attached. There is, however, no clear benchmark as to what would constitute an appropriate level of overhead costs. A considerable level of planning and management is inherent in what the RTP does. Nevertheless, it is accepted that there is scope to achieve economies via consolidation of Companies or shared services. The present configuration of Companies was, of course, a nationally-made decision, not one made by RTN, and the members are open to change in this regard.

Issues have also been raised about the overall unit costs⁴ of RTP transport services. This again necessitates recognition that by design the Companies' services target a different market from mainstream conventional public transport. Indeed, the RTP's original *raison d'être* is to address needs which are "unmet" by conventional service providers. Also, subvention costs of course reflect ability to recover costs via fares. Since the RTP's mandate is to target people who are very often eligible for the FTP they cannot do this, while also being inadequately recompensed by the DSP. Previous evaluations which have considered RTP unit costs found these to be broadly comparable to those of similar rural transport service providers in the UK.

In Ireland the nearest comparator is probably the School Transport Scheme, albeit that it has the advantage of very much greater scale and use of larger vehicles. However, it too involves a high level of local planning, is to a degree demand-responsive, is mainly publicly funded, and involves a mix of own fleet and contracted-in vehicles. On a cost per vehicle km basis, it appears to be considerably more expensive than the RTP (see Annex 2, Table 3 attached, final column).

The economic, social, psychological and health impact of the RTP on rural areas should also be noted. First and foremost, it is held in very high regard by users. Reviews, evaluations and informal feedback invariably attest to its impact on people's quality of life, and its role as an antidote to at best isolation, at worst hospitalisation (see text box). This is not unique to the RTP, but echoes findings from international research on such services.

⁴ Unit costs can refer to costs per passenger, per trip, or per vehicle km.

POSITIVE HEALTH EFFECTS OF LOCAL TRANSPORT SERVICES

“Leaving the house creates visibility. Simply put, the act of stepping out of one’s home to get on to a warm bus to be surrounded by familiar faces, makes apparent and reinforces the sense that one is part of a community. You see them and they see you. The curious but deeply concerned conversations that are occasioned by the absence of regular passengers, their invisibility, suggests that one aspect of being a community for these passengers is about seeing each other, face to face. Absence creates concern and intrigue. Presence and absence are crucial indicators to passengers of the health and well-being of their fellow journeyers. The alternative is unwelcome isolation.”

SOURCE: SIMON ROBERTS, INTEL DIGITAL HEALTH GROUP, CONFERENCE PAPER⁵

The service is also important economically in the area of operation. The RTP Companies employ nearly 200 people, and they mobilise many more as volunteers. In addition to internal expenditure on staff and operations, it involves expenditure of over €7.5mn annually on transport services provided by over 300 local providers. This is equivalent to 68% of all operational expenditure and 55% of all expenditure in 2010. The services also boost expenditure by passengers in shops and other services in local towns and villages.

⁵ Quoted in Pobal, *RTP Performance and Impact Report, 2009*.

3. Re-configuring Public Passenger Transport Services

3.1 Issues About the Current Arrangements

Notwithstanding recent developments, current policy, regulation and subvention arrangements around public transport in Ireland involve inherent scope for inefficiency and lack of effectiveness. Key dimensions of this are:

- (a) unclear roles and responsibilities and resulting ad hoc arrangements;
- (b) lack of competition except on intercity services;
- (c) lack of transparency in and around public subvention, what it is for and what the taxpayer is getting from it;
- (d) traditional lack of clarity and information about HSE non-emergency transport policy, practice and expenditure;⁶
- (e) potential duplication of some subvented local services;
- (f) lack of a coherent location for the RTP in the overall national transport planning framework, and its being an “inclusion” intervention while being DTTAS funded.

The present time is an ideal opportunity to address these legacy issues in a determined way. This opportunity arises from a confluence of events: existence of the new 2009 Transport Act which provides for the NTA as the regulator, the current gearing up of the Authority in relation to its existing responsibilities, completion of recent VFM reports on School Transport and RTP, planned roll-out of LITS, and the prioritisation by the current Government of better regulation generally, including regulation of public transport.

3.2 Potential Benefits of More Co-ordination and Integration

The potential benefits of a more co-ordinated national and local passenger transport system are:

- immediate and real cost savings to the Exchequer, i.e. in 2011/12 and beyond (see Section 3.3 below);
- benefits for customers in terms of better service choices, more integrated services, better information and easier inter-modal travel;
- potential for extensive services by achieving greater value for money;
- improved environment and sustainability via reduced car usage;
- the potential to improve overall value for money.

⁶ In July 2011 the HSE published a new policy statement on Non-Ambulance Patient Transport Services.

3.3 Potential for Cost Savings

Cost savings and significantly improved value for money can occur through a number of specific, tangible mechanisms:

- (a) by moving passengers, especially HSE non-emergency passengers, where possible away from dedicated services to other services that can also meet their needs, the unit cost per HSE passenger can fall;
- (b) better targeting of public resources on those most in need, and greater cost recovery in the case of individuals who are less in need of subvention. As recently stated by the Minister, “public resources should be targeted on those who need it most”;
- (c) increased value for money from providers via larger, locally negotiated and ideally multi-annual contracts. Currently individual local transport providers frequently have separate publicly-funded contracts for school buses, for the RTP, and for HSE transport;
- (d) avoidance of wider costs to other government agencies, e.g. home care avoids residential care costs for the elderly;
- (e) consolidation and rationalisation of management, planning, administrative and specialist overheads internally among RTN members, and externally with NTA and local government, (e.g. skilled staff, ICT systems).

Examples of Potential Exchequer Savings via Integration

- **school transport:** if the cost of the school transport system could be lowered to the current unit cost per vehicle km on the RTP, there could be a national saving of up to €52mn annually⁷;
- **joint contracts:** it is likely that separate, segregated procurement of school, HSE (non-emergency) and RTP services from local bus operators involve premium-rate costs up to 40% higher than what could be achieved under a single contract, because of the certainty and better vehicle utilisation which joint procurement would allow.⁸ If applied to the 2009 estimated national expenditure of all three (see Annex 2, Table 1), this would amount to annual Exchequer savings of €106mn in that year;
- **HSE costs:** if existing experience of some RTP Companies of providing non-ambulance transport services for HSE clients could be replicated nationally, then HSE expenditure on such transport could fall by €30mn annually,⁹
- **avoidance of residential care:** one estimate is that “the cost of keeping a person in (residential) care is 15-20 times the cost of providing him or her with rural transport.”¹⁰

Examples of the cost savings that are achievable under a number of these headings are shown in the box above.

⁷ Assumes a closure of the gap between School Transport and RTP unit costs, i.e. €2.26 v €1.63 per vehicle km (See Annex 2, Table 3, final column, rows 5 and 6).

⁸ Based on estimates by Offaly and Kildare (OK) Community Transport Ltd.

⁹ Assumes 50% Donegal saving to HSE in 2010 (€1.6) rolled out to other RTP areas.

¹⁰ Des Coppins, DTTAS Principal Officer, *Evidence to Oireachtas Committee on Transport*, 7 Oct. 2009.

It should be noted that these estimates of annual savings are illustrative, based on information provided by a number of individual RTP Companies. In the specific case of potential HSE savings, an independent analysis of the Donegal experience is being undertaken on behalf of Pobal, but is not available at time of writing.

4. Transition To More Integrated Services

4.1 Overview

This Section sets out the RTN's proposal for the way ahead. Essentially, while welcoming the planned transition for the RTP, we propose that:

- (a) it must be clear to where the Programme is transitioning;
- (b) the RTP transition should be part of a co-ordinated transition, involving a range of other changes in the transport structures and framework context to bring the RTP into the mainstream of public transport policy, planning and operations. Some of these changes are already under way, but as separate initiatives.

The transition should be a three-year one, allowing adequate time for planning, agreement, fine-tuning and implementation. But the general direction should be clear from the outset. We cannot plan the journey properly if we don't know where we are going.

4.2 General Approach

Overall dimensions of the new passenger transport structures should be:

- pool all the public subvention as much as possible, though one agency under the DTTAS, most naturally the NTA;
- have a coherent national policy and regulatory framework for all public passenger transport services;
- define the main distinct roles involved, and who is playing what role, more clearly, i.e. policy (department), regulation, including service standards (NTA), "fund holder" (NTA); national and local planning co-ordination (NTA, Bus Éireann, Network Management, new Local Transport Units, built on RTP), and service delivery (Dublin Bus, Bus Éireann, private and community operators);
- build on learning and experience of the last 10 years, especially RTP and LITS, regarding local/rural transport.

4.3 National Level – Principal Changes

- the majority of funding for subvention of public transport should be channelled through the DTTAS, including school buses and FTP;
- NTA should become the national single lead agency for management of public subventions to transport operators. In this context it should take over the current Pobal RTP management role;
- NTA management and technical capacity should be built up as required to take on its expanded role;
- NTA should have at its disposal a network of units, essentially local agents, at a county (or group of counties) level which perform certain specific functions on its behalf;
- Annual local transport/RTP allocations should be divided across counties on the basis of a set of criteria to be defined (e.g. population, un-met needs), within a national envelope, and then managed (i.e. contracted out within an agreed local transport plan) locally by the Local Transport Planning and Management Unit (see below);
- A new small Rural/Local Transport “Transition Unit” should be established within the DTTAS, to lead and oversee the transition process, see Section 4.5 below.

4.4 Local Level – Principal Changes

- local transport, including rural transport, should be planned on a county (or groups of counties) basis, from a management/administrative perspective (this does not prevent subvented services crossing county boundaries);
- new local Transport Planning and Co-ordination Committees (TPCCs) should be established for counties or groups of counties. These could be based on a combination of existing RTP Company Boards, and/or local authority Transport sub-Committees (where these exist). Membership would also include Bus Éireann, HSE, C&V sector, and representatives of bus, taxi and hackney operators;
- these Committees should support preparation of Local Transport Plans with the respective local authorities (as per the Programme for Government);
- local Transport Planning and Management Units (TPMU) should also be established. These should be linked closely to local authorities. They should be the local agents of the NTA, including in relation to tendered local transport services (RTP, Schools, HSE). The make-up and structures of TPMUs should have some flexibility in the context of existing local arrangements but would have to meet minimum governance and competency standards established by DTTAS. They should also act as the Secretariat of the TPCC;
- each existing RTN member should consider the options open to it, and its own preferred option, within this framework. Options will include that of consolidation and with whom, and also its preferred role, e.g. as part of the TPMU or as a transport service provider.

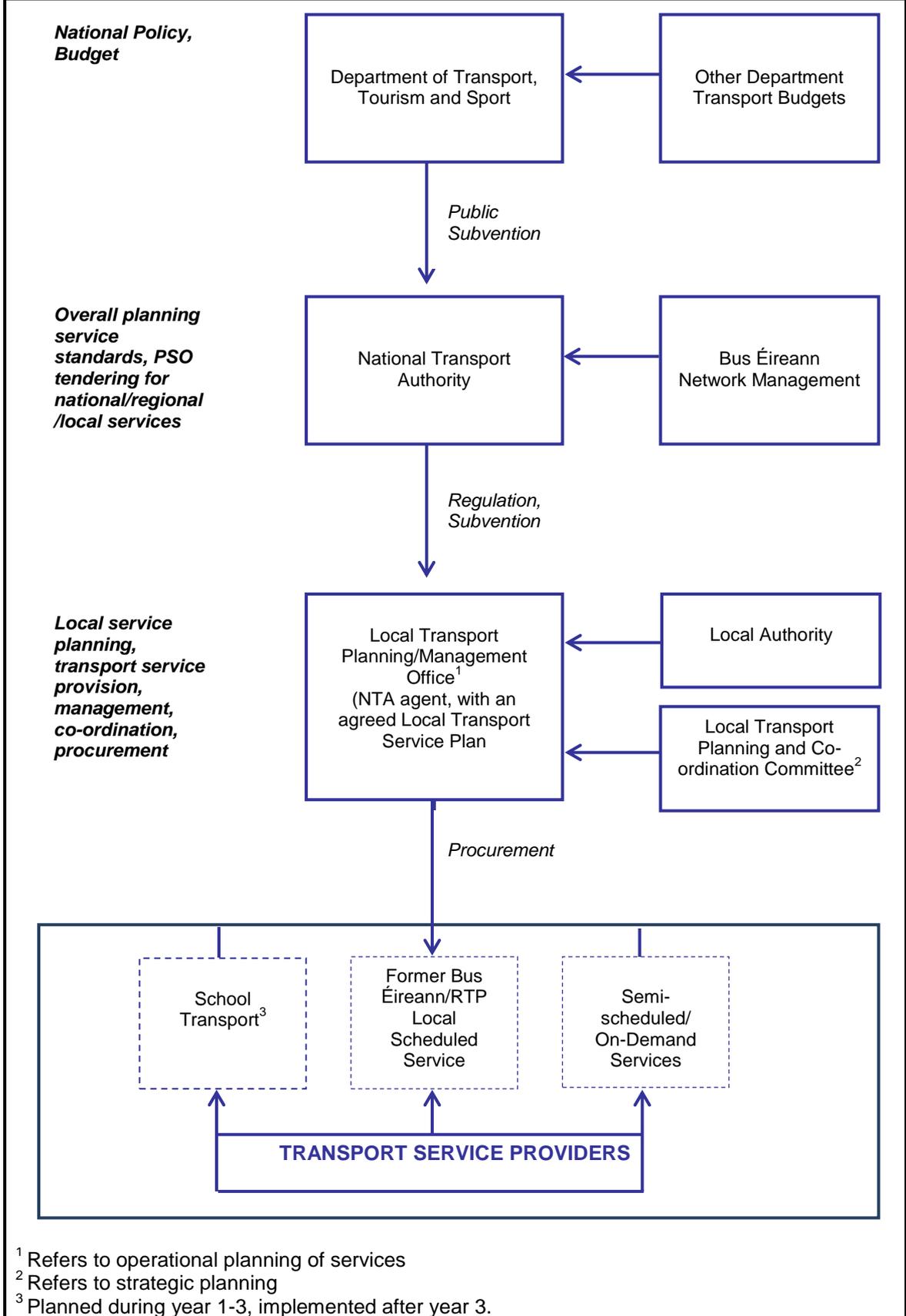
A graphical presentation of this new structure is shown in the chart.

4.5 Proposed Transition Unit – the Key to Success

Implementing the kind of transition for the RTP and its wider context envisaged in this Submission will be demanding in terms of determination, time-input and skills, including skills in both change management and transport planning. For this reason we propose establishment of a dedicated Transition Unit within the DTTAS to drive and oversee this change process. Key dimensions of this Unit are:

- it should be within the Department and reporting directly to the responsible Minister;
- it could be supported by the LITS Central Steering Committee;
- it should have a fixed time-span of a maximum of 3 years (less if the transition can be achieved more quickly);
- it will need an appropriate mix of skills, including public service management, change management, and transport planning;
- it should be staffed by DTTAS, and suitably skilled secondees from NTA and from RTN members.

PROPOSED STRUCTURE, BY END OF TRANSITION PERIOD



Annexes



Annex 1 List of Abbreviations

BE	Bus Éireann
CIE	Córas Iompair Éireann
CRE	Comprehensive Review of Expenditure
CTTC	Coach Tourism and Transport Council
DOECLG	Department of the Environment, Community and Local Government
DTTAS	Department of Transport, Tourism and Sport
FTP	Free Travel Pass
HSE	Health Service Executive
LITS	Local Integrated Transport Services
NRA	National Roads Authority
NTA	National Transport Authority
PSO	Public Service Obligation
PTS	Patient Transport Services
RTN	Rural Transport Network
RTP	Rural Transport Programme
TPCC	Transport Planning and Co-ordination Committee (proposed)
TPMU	(Local) Transport Planning and Management Unit (proposed)
VFM	Value for Money

Annex 2 Statistical Tables

Department	Subvention	2009 €mn	%
Transport	Dublin Bus PSO	83.1	14.4
	Bus Éireann PSO	49.3	8.5
	Irish Rail PSO	170.6	29.6
	CIE Group Total	303.0	52.6
	Rural Transport Programme	11.0	1.9
Education	School Bus Service (Bus Éireann)	185.0	32.2
Social Protection	Free Travel Pass	73.5	12.7
	Exceptional Payments for Hospital Transport	2.5	0.4
Total Exc. Health		575.0	100.0
Health	HSE Non-Emergency Transport	62.0*	-
Total		637.0	-

*mid-range between estimates of €25-€100mn annually

SOURCES:

	2007	2008	2009	2010
Gross Administration Costs (€)	2,436,760	2,578,726	2,858,143	2,514,231
Gross Operational Costs (€)	6,905,864	9,027,383	10,280,044	11,135,661
TOTAL GROSS CURRENT COSTS (€)	9,342,624	11,606,109	13,138,187	13,649,892
Admin as share of Total Expenditure (%)	26.1%	22.2%	21.8%	18.4%

SOURCE: POBAL

TABLE 3: ESTIMATES OF PUBLIC SUBVENTION LEVELS - VARIOUS TRANSPORT OPERATORS, 2009

Operator	Subvention			Passengers	Passenger Journeys	Vehicle Km	Unit Subsidy Per		
	PSO (€)	FTP (€)	Total (€)				Passenger	Passenger Journey	Vehicle Km
Dublin Bus	83,199,000	30,579,169	113,778,169	n/a	128,300,000	n/a	n/a	0.89	n/a
Bus Éireann	49,365,000	20,173,195	69,538,195	n/a	84,640,000	n/a	n/a	0.82	n/a
Irish Rail	170,600,000	9,247,636	179,847,636	n/a	38,800,000	n/a	n/a	4.64	n/a
CIE Group	303,164,000	60,000,000	363,164,000	n/a	251,740,000	n/a	n/a	1.44	n/a
School Transport Scheme	185,724,971	0	185,724,971	135,000	42,000,000	82,000,000	1,375.74	4.42	2.26
Rural Transport Programme	11,000,000	1,500,000	12,500,000	n/a	1,289,025	7,650,000	n/a	9.70	1.63

Note: FTP subvention of CIE is divided on a pro rata basis among its subsidiaries, based on passenger journeys. Also, school transport figures relate to 2008.

Annex 3 List of Sources

- Cavan Area Rural Transport, *Case Study: RTP Adding Value to HSE Services in Cavan*, 2010
- Citizens' Information Board, *Getting There: Transport and Access to Social Services*, Social Policy Series, 2009
- Deloitte, *Cost and Efficiency Review of Dublin Bus and Bus Éireann*, January 2009
- Department of Education and Skills, *School Transport: A Value for Money Review of the School Transport Scheme*, March 2011
- Doherty, F. and O'Shea, F., *Integrated RTP/HSE Transport in County Donegal*, PowerPoint Presentation, June 2011
- Fine Gael, *A Fine Gael Policy Statement on Rural Transport*, 2011
- Fitzpatrick Associates, *External Evaluation of the Rural Transport Initiative*, a report for ADM, July 2004
- Fitzpatrick Associates (Derek Halden Consultancy), *Review of Passenger Transport Services in Co. Louth*, March 2010
- Fitzpatrick Associates/Steer Davies Gleave, *Availability, Access and Choice: Report to the Inter-Departmental Committee on Rural Public Transport*, December 2002
- Fitzpatrick Associates (with Steer Davies Gleave), *Progressing Rural Public Transport in Ireland: A Discussion Paper*, Department of Transport, July 2006
- HSE, *Policy on Non-Ambulance Patient Transport Services*, 4th July 2011
- Joint Committee on Arts, Sport, Tourism, Community, Rural and Gaeltacht Affairs, *Report on Rural Transport Provision*, Houses of the Oireachtas, January 2010
- Mazars, *A Financial Analysis of Ireland's State Owned Companies: A Report Commissioned by the Coach Tourism and Transport Council of Ireland*, March 2011
- McCaul, Toni, *Sustainable Rural Transport: Rural Transport Programme Strategy 2011-2016*, Proposed and Developed by the Rural Transport Network, 2010
- McKenna, M. and Kenny, M., *Rural Transport and Rural Isolation: A Case Study on the Impact of Rural Transport Provision on Older People in One Rural Area*, 2006
- MVA Consultancy, *External Review of the Local Integrated Transport Services Pilot Project*, Final Report for LITS Central Steering Committee, October 2010
- Pobal, *Rural Transport Programme, Performance and Impact Report*, 2009
- Pobal, *Rural Transport Programme: Value for Money Guidelines*, 2010
- Review Group on State Assets and Liabilities, *Report*, April 2011
- Special Group on Public Service Numbers and Expenditure Programmes, *Report, Volume 2, Detailed Papers*, July 2009
- Wallace, Caroline, Kerry Community Transport Limited, *Rural Transport Programme: Rural Transport Connecting Ireland*, Kerry Community Transport Limited
-



Rural Transport Connecting Rural Ireland

Rural Transport Network,
Sliabh Luachra Cultural Centre,
Scartaglin,
Co. Kerry.

Tel: 066 7147002

Fax: 066 7147038

Mobile: 087 7817398

Email: rtpnetwork@gmail.com

Website:

www.ruraltransportnetwork.ie

Towards Integrated Rural Transport

Achieving More for Less

9 August 2011

