

How to Deliver Better Passenger Transport Answers for Northern Ireland

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1. Introduction

NITHC / Translink provide all rail services and most local bus services in Northern Ireland, including the carriage of pupils to school, in 2007/08 the group carried nearly 80million passengers. Total employee numbers are approximately 4200 throughout Northern Ireland. Catherine Mason is Group Chief Executive.

2. Summary / Background to the Reform of Passenger Transport (PT)

The 'Reform of PT' began in 2002 ('New Start') and led to the development of a 'three tier' approach. However, since then many things have changed;

- The 'middle tier' was to be a Passenger Transport Authority (PTA) made up of local councils; the RPA now has an 11 council model which is too many for the effective working of a 'middle tier'.
- After years of decline, public transport is in significant growth, due to a new approach / a large programme of change and service development from NITHC / Translink and sustained government investment.
- **A new EU Regulation 1370 means there must be some changes in the way public transport is regulated. 'No change' is not an option. However, minimum (low risk / low cost) change can better deliver all objectives while minimising disruption and the potential for unintended consequences such as reduced growth or cuts in services.**

3. Highlights of the current public transport system in NI

Passenger transport in NI is a big success story; increased investment and a significant programme of change to networks and services have delivered a large increase in the numbers of people choosing to use bus and rail services.

There is a clear line of accountability and control from the Minister for Regional Development and the NI Assembly to NITHC/Translink.

Customer satisfaction is at an historic high, 'on time' performance is excellent and RTS bus fleet age targets have been delivered already. Government (PSA) passenger numbers targets have also already been exceeded. These may be seen in the charts in section 10 (appendices).

4. Strategic Context of PT Reform

The issues identified in the strategic business case which have driven the need for reform of PT include;

- EU regulation 1370 has been introduced and will be implemented in NI from 3rd December 2009. The regulation requires
 - an operator which receives direct award of a contract from a ‘competent authority’ to have a formal contract in place
 - a move from capital to revenue funding
- There is a difficulty for DRD in determining an appropriate level of PSO / revenue funding for bus services i.e. what output is delivered for input funding. Essentially this leads to a lack of funding transparency.
- There is a perceived conflict of interest if design of a PT network and its delivery are carried out by the same body
- There is a need to deliver RTS targets and programmes, etc.
- It is perceived that the introduction of controlled competition will enhance value for money

5. Reform Objectives

From these issues, the following objectives have been identified for the reform process;

- Support the implementation of the Regional Transport Strategy enabling
 - maximum possible integration
 - a regulated PT network
- Provides safe, efficient and high quality services
- Comply with EU Regulations
 - enables greater controlled competition
 - contracting and funding arrangements that provide incentives to deliver an efficient, customer focused and continually improving PT operation
- Encourage the greater use of PT
- Maximise efficiency and value for money

6. Shortcomings of options proposed

All 3 DRD options as described have shortcomings

‘No change’

- It is not EU regulation compliant

‘Enhanced NITHC’

- There is less of a transparent link between funding input and service output
- Difficulties regarding contracting
- There is a perceived limited access / attractiveness for private operators to provide services
- There is less customer involvement

'Agency'

- A new agency is not necessary
- The span of control from Minister / NI Assembly would be extended and extra bureaucracy would be added
- The organisation would add extra cost to the public transport system which may be removed from frontline delivery
- Functions and resource would be duplicated
- A new agency would have no procurement / contract management expertise
- Contract management is a significant cost
- No closer integration with highways / planning would arise
- The option carries more risk with no guarantee of results

An example of the duplication of function which would arise and the extra costs which would be added to public transport without any obvious benefit can be clearly seen in how it is proposed bus stations would be managed under an agency. Currently Translink manage these facilities as part of the management of operations. If they were to become a middle tier activity the agency would have to put in place new arrangements / personnel for;

- Facilities management
- Utilities contracts
- Claims handling / insurance
- Employment contracts
- Operational policies e.g. Health & Safety
- Passenger information

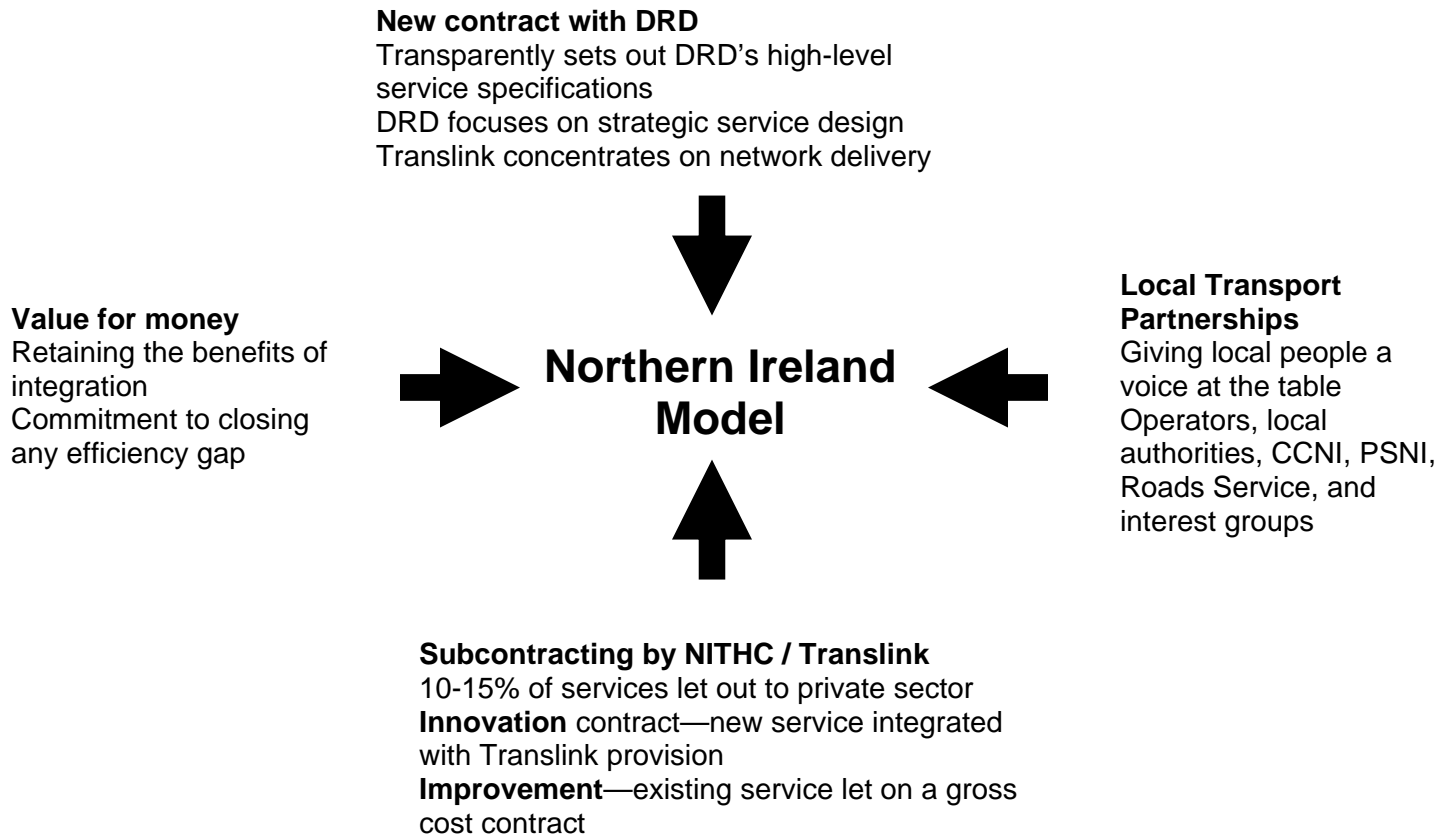
This is completely avoidable and not necessary

7. Best solution for NI / principles

We would propose that the following principles be used to develop a model specific to NI, fit for purpose and low cost / low risk;

- Build on the success seen in the last few years
- Set in place a firm foundation for the future
- Take into account the special features of Northern Ireland
- Introduce a controlled, low-risk, stepped approach to changes
- Comply with the new EU Regulation 1370
- Be consistent with agreed stakeholder objectives for Public Transport Reform

8. Key features



This model would:

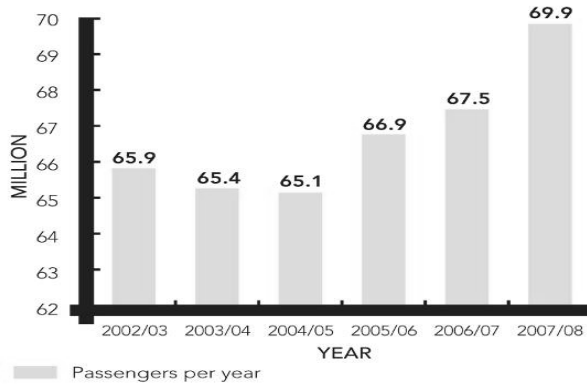
- Retain full and direct public sector control – without increasing the number of civil servants
- Retain the benefits of integration & a single identity
- Separate and make clear policy design (DRD) and operational design (Translink)
- Be achieved with no change to legislation to make the reform faster and simpler to implement

9. What next?

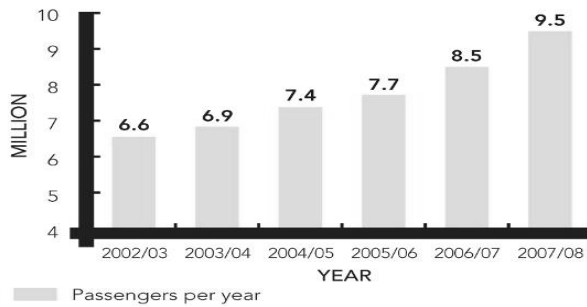
- 'No change' is not an option. However, low risk / low cost change can better deliver all objectives while minimising disruption and the potential for unintended consequences such as reduced growth or cuts in services.
- Develop a specific model for NI through mixing best of options in outline business case
- Engage with DRD's consultants to develop an 'NI model'

10. Appendices

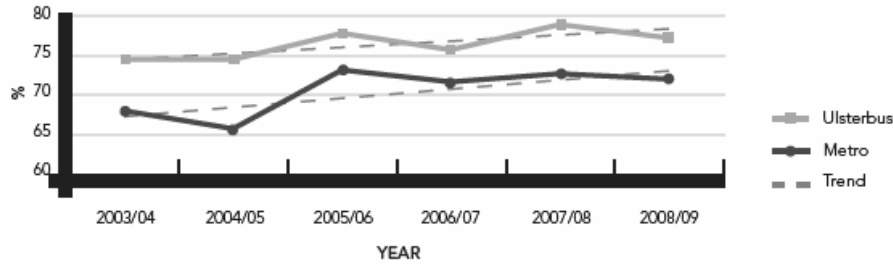
BUS PASSENGERS (Metro & Ulsterbus)



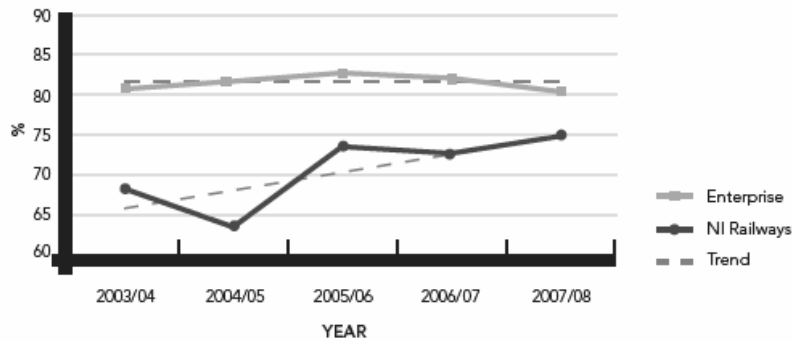
RAIL PASSENGERS (incl. Enterprise)



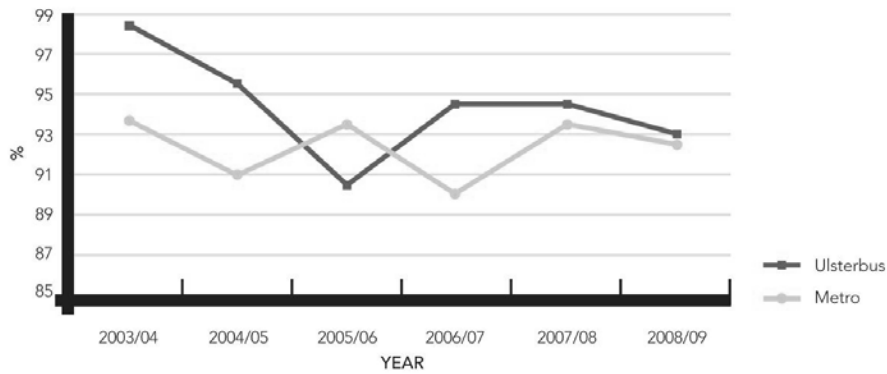
BUS SERVICES CUSTOMER SATISFACTION



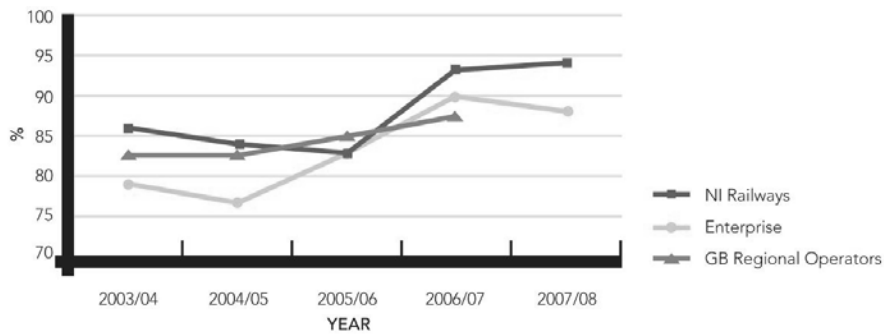
NI RAILWAYS CUSTOMER SATISFACTION



BUS SERVICE PERFORMANCE (Punctuality / % on time)

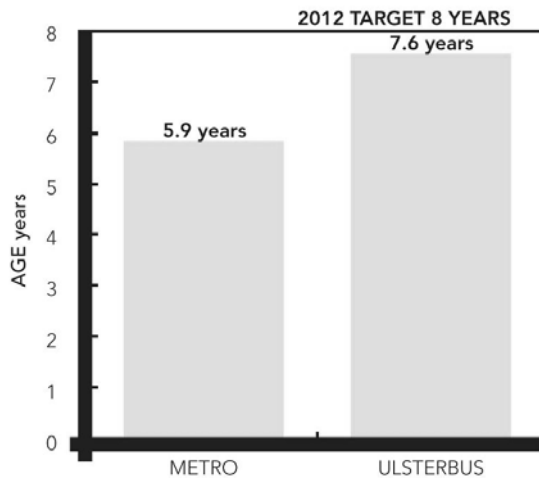


RAIL SERVICES PERFORMANCE (Punctuality / % on time)



Main picture opposite New Lisburn Buscentre.

AVERAGE BUS AGE AT END MARCH 2008



We have already achieved the 2012 target for average bus age.