

Briefing Paper to the Oireachtas Committee of Public Accounts regarding the National Transport Authority in advance of its appearance on 24th January 2013



Functions of the Authority

The National Transport Authority (the Authority) is a State body established under statute on 1st December 2009. The role and functions of the Authority are set out in three Acts of the Oireachtas, the Dublin Transport Authority Act 2008, the Public Transport Regulation Act 2009 and the Taxi Regulation Act 2003.

At a national level, the Authority has responsibility for securing the provision of public passenger land transport services, as well as integrated information and ticketing associated with such services. This includes the provision of subsidised bus and rail services through contracts with Bus Éireann, Dublin Bus and Irish Rail, and light rail services either directly or by assignment through the Railway Procurement Agency (RPA). The Authority also regulates and licenses public bus passenger services which operate without subsidy from the state.

In September 2010, the Authority's functions were extended to take over delivery and operation of Integrated Ticketing (the "Leap" card).

In December 2010 the Authority was designated the national body responsible for the enforcement of Regulation (EC) No 1371/2007 which ensures basic rights for rail passengers, for example, with regard to insurance, ticketing, and for passengers with reduced mobility.

On 1st January 2011 the Authority assumed responsibility for the regulation of the small public service vehicle sector (i.e. taxis, hackneys and limousines). Provisions to enable this were included in the Public Transport Regulation Act 2009. The staff and functions of the previous body, the Commission for Taxi Regulation, have been incorporated into the Authority which now regulates the taxi sector in accordance with the provisions of the Taxi Regulation Act 2003.

In April 2012, the management and administration of the Rural Transport Programme was assigned to the Authority by the Department of Transport, Tourism and Sport.

In December 2012 the Authority was designated as the national body responsible for the enforcement of Regulation (EU) No. 1177/2010 concerning the rights of passengers when travelling by sea and inland waterway. The objective of the Regulation is to ensure a high level of protection for passengers using waterborne transport anywhere in the European Union (EU) by establishing certain rights and a minimum quality of service across the EU. This Regulation is similar to that for rail passengers.

At national level, the Authority fulfils a statutory planning role in order to ensure the integration of land use development and transport provision. This involves the making of formal submissions in relation to Regional Planning Guidelines prepared and administered by Regional Authorities. In addition, the Authority participates on statutory Committees established to monitor implementation of those Regional Planning Guidelines. In the Greater Dublin Area the Authority's statutory planning role extends to a role in the formulation of Development Plans, their Variations and Local Area Plans

The Authority also has responsibility for the development of an integrated transport system within the Greater Dublin Area. The principal functions of the Authority with respect to the Greater Dublin Area are:

- Strategic planning of transport;
- Development of an integrated, accessible public transport network;
- Promoting cycling and walking;
- Provision of public transport infrastructure generally including light rail, metro and heavy rail; and
- Effective management of traffic and transport demand.

The Greater Dublin Area includes the local authority areas of Dublin City, Fingal, Dun Laoghaire-Rathdown, South Dublin, Kildare, Meath and Wicklow. It comprises 10% of the land area of the state, yet accounts for 40% of the national population and 40% of the economic activity. It is by far the most densely populated and heavily trafficked part of Ireland, and accordingly a substantial portion of the National Transport Authority's capital investment and transport planning workload relates to this region.

In addition to these statutory functions the Authority develops and administers a number of grant programmes on behalf of the Department of Transport, Tourism and Sport including:

- Regional cities traffic management
- National Accessibility Programme
- Smarter Travel Workplaces
- Smarter Travel Schools (as part of Green Schools Programme)
- Rural Transport.

The Authority's governing body, its Board, consists of a Chairperson and eleven Authority members appointed by the Minister for Transport.

Staffing

The Authority's staff has been drawn from a number of public sector organisations as follows:

- By subsuming the Dublin Transportation Office on 1st December 2009;
- By the assignment of Department of Transport staff on 1st December 2009;
- By subsuming the Commission of Taxi Regulation on 1st January 2011;
- By transfer of Railway Procurement Agency staff;
- By redeployment of staff from various local authorities and public bodies such as Dublin Docklands Authority and the National Roads Authority.

An overall staff number of 85 has been sanctioned; at present there are 4 vacancies.

Funding

The funding sources of the Authority include Oireachtas grants, taxi licensing income and bus licensing income.

In December 2008 the Department of Finance agreed with the Department of Transport the parameters for staffing and funding the proposed new authority, at that time to be called the Dublin Transport Authority. In particular, the Department of Finance confirmed *“we are agreeable to your Department’s proposals for the surplus built up by Commission for Taxi Regulation (CTR) being applied to the DTA to help cover its expenses in the early years; we would expect this will be sufficient for the DTA’s needs in 2009 and 2010 at least”*.

As a consequence the Authority needs to utilise portion of the surplus taken in from the Commission for Taxi Regulation to cover its administrative expenses each year. This is illustrated in the table below which also gives an indication of the flow of monies through the organisation. The drop in income each year since December 2009 has been due to the contraction in Government capital and current programmes.

**National Transport
Authority
Income & Expenditure Summary**

	2012	2011	2010
	€	€	€
Total Income	461,145,626	510,199,206	642,099,200
Total Expenditure	(463,433,846)	(512,112,602)	(642,130,905)
Surplus/(Deficit)	(2,288,220)	(1,913,396)	(31,705)

Notes

The period ended 31 December 2010 was a 13 month period.

The amounts for the year ended 31 December 2012 are unaudited and may be subject to change.

Financial Systems

Web interface for capital grants

The Authority has developed a web-based project reporting system for administering capital grants to multiple local authorities and transport agencies. It is based on the project reporting system of the National Roads Authority in relation to road projects grants, which they shared with us and which we customised. It is designed to facilitate the submission, processing and monitoring of expenditure claims for projects funded by the Authority and enables a more streamlined process of managing the various grant programmes.

Auditing

Following competitive tendering, the Authority appointed the company RSM Farrell Grant Sparks to undertake the role of internal auditors. In this role the company audits the internal governance and financial controls of the Authority and also audits the payments of capital and operational subsidy grants to third parties. Each year a comprehensive programme of auditing is undertaken and reports are taken directly to the Authority’s Audit Committee which is drawn from members of the Board.

Internal Financial system

In 2012, the Authority introduced a new Financial Management Information System. The benefits for the Finance team are a more automated system with built in controls and procedures and an enhanced suite of reporting.

The new system eliminates manual processing of purchase orders and creates total traceability/visibility on status of requests and purchase orders.

In addition the new system integrates with the Leal Card business accounting system.

Consolidation of Financial Management

In 2012 the Authority reviewed the various strands of its business activities and carried out a consolidation of its finance and accounting activities.

The Leap card financial team had been embedded within the Leap card operational team but was moved to the central Finance team. Similarly control of the commercial aspects of the large outsourced contracts that the Authority has in place for taxi licensing was transferred to the Finance team. These contracts include call centre operations, administrative support and vehicle testing. The effect of all these changes is that stronger analytical expertise and control is being applied to major cost centres and areas of major cash flows.

Conclusion

The Authority continually reviews its activities to seek efficiencies. We have taken on many extra functions, over and above those initially conceived for the organisation, without extra staff. We use national procurement frameworks; we have availed of shared services for Disaster Recovery provided by the Revenue Commissioners and use the Department of Transport, Tourism and Sport's ICT infrastructure for Broadband and phone connectivity.

We have created 5 year investment frameworks for all the local authorities in the Greater Dublin Area and in Cork, Galway, Limerick and Waterford so that the most appropriate transport projects are developed on a multi-annual cycle. We have effected significant savings in our cost of taxi regulation through reduced call centre costs, reduced advertising and industry communication costs by greater use of SMS messaging, emails and website information.

We oversee the performance of the three subsidised public transport operators - Irish Rail, Bus Éireann and Dublin Bus – and monitor how they meet their contractual targets each quarter and, if not, performance payments are reduced. Finally we are currently engaged on developing more efficient structures for the delivery of rural transport services including developing pilots for integrating those services with separate services for medical centres and hospitals.