

Ms Niamh Maguire
Secretariat
Public Accounts Committee
Dáil Éireann
Leinster House
Kildare Street
Dublin 2



Dún Scéine, Cúirt Uíbh Eachach,
Lána Fhearchair, Baile Átha Cliath 2

Dún Scéine, Iveagh Court,
Harcourt Lane, Dublin 2

t 01 879 8300
f 01 879 8333

info@nationaltransport.ie
www.nationaltransport.ie

8th February 2013

Dear Ms Maguire,

Thank you for your letter, which we received on January 31st, and thanks too, to you and the Committee's Secretariat for your help and assistance in ensuring that the National Transport Authority representatives felt well-prepared for our first appearance before the Public Accounts Committee on January 24th.

Your letter outlines a number of issues raised at the Committee meeting, where we undertook to supply the Committee with further information. There were a number of additional matters requiring a response, and we have dealt with those too, below, after first dealing with the matters you raise in your letter to us:

1. The total cost of the implementation of the Leap Card from its inception in 2001 to date

In December 2011, the Authority launched the Integrated Ticketing Scheme (Leap Card). A programme of follow-up enhancements, including student travel, pre-paid tickets, roll-out to other operators, auto top-up etc, is well underway and will continue to be rolled out over 2013. When those are completed, the Leap Card project will have cost no more than €55.4 million, a sum approved in 2008 by the Department of Transport.

2. A note of the lease of the building in Fitzwilliam Square that was entered into by the Taxi Regulator. The reason this building was chosen: the annual lease cost and the on-going costs that arise for the NTA arising from this lease

A review of the archival files indicates that a number of properties were considered by the former Commission for Taxi Regulation before the decision to lease 35 Fitzwilliam Square was eventually arrived at.

These properties included –

- Hanault House, St. Stephen's Green, Dublin 2;
- One Grant's Row, Lower Mount Street, Dublin 2;
- Embassy House, Ballsbridge, Dublin 4;
- 20/23 Lower Hatch Street, Dublin 2;
- 12 Clanwilliam Square, Dublin 2;
- 2/3 Parnell Square, Dublin 1;

- Claremont Road, Sandymount, Dublin 4;
- Jervis House, Jervis Street/Upper Abbey Street, Dublin 1;
- 10 Ely Place, Dublin 2;
- 2 Clare Street, Dublin 2;
- Iveagh Court, Harcourt Road, Dublin 2;
- 93 Lower Baggot Street, Dublin 2;
- Herbert House, Harmony Row, Dublin 2;
- 35 Merrion Square, Dublin 2;
- Knockmaun House, Lower Mount Street;
- 4/5 Harcourt Street, Dublin 2.

The Commission engaged with a number of agents, including Jones Lang LaSalle, CBRE, Palmer McCormack, DTZ Sherry Fitzgerald, Lisneys and McNally Handy in order to assist in the search for suitable office accommodation. In addition, the Commission sought the advice of the Office of Public Works on this matter.

The rationale for the final choice of 35 Fitzwilliam Square is not expressly set out in any document in the file. However, it is acknowledged that the said property did meet the requirements of the Commission when it was acquired.

Finally, it should be noted that the Minister for Finance and the Minister for Transport issued a consent to the Commission in accordance with Section 32 of the Taxi Regulation Act 2003, to lease equip and maintain the subject property.

3. Figures for the number of taxi licences in operation county by county, including the details on the number of multiple licence holders

I have attached a set of tables behind this letter which details the numbers of taxi driver licences AND taxi vehicle licences held, by county, as at December 31, 2012. The Committee might be interested to note that we publish such data, updated monthly, on our website at: <http://www.nationaltransport.ie/taxi-and-bus-licensing/taxi/taxi-statistics/>.

The Committee also asked for details on the number of multiple licence holders. In summary, there are 1,301 individual licence holders with 2 or more vehicle licences. Between them all, they hold 5,119 SPSV vehicle licences (figures correct as of 4th February 2013). These figures are analysed further in an attachment to this letter, which I hope the Committee finds helpful. Note that as of 31st December 2012 the total number of SPSV vehicle licences was 22,964 – so some 22% of licences are held by multiple licence holders.

4. The financial penalty incurred by the operators of LUAS due to delays in 2011 and 2012

The System Performance Deductions that were made against the Luas operator were €478,000 in 2011 and €272,000 up to the end of Q3 2012. The Authority is awaiting the report for the final quarter of 2012.

The method of calculating the performance deductions is a formula which calculates deductions on a number of criteria:

- Line Availability
- Reliability ie Minutes Delay
- Service Quality
- Fare Evasion

5. **A detailed note on the 21 surplus rail carriages that were purchased but not required by Irish Rail. The note to include the details of possible resale value, the options available for disposal, the cost of storage and maintenance of the carriages. Finally the cost of the consultancy work undertaken by Jacobs Engineering.**

I understand that, following the Committee's engagement with the Department of Transport, Tourism and Sport on Thursday 7th February, the Committee requires a composite response from the Authority and the Department on this issue. We are now working with the Department on that response.

6. **A detailed list of transport projects which were cancelled and the amount spent on each project by State prior to cancellation. Details to be provided of the loss to the State after costs that can be salvaged are taken into account**

Please see the information attached to this letter.

7. **A note on the sum of €91.58 million which was paid in 2011 to local authorities and other agencies**

In compiling the material for this response, we have assumed that the figure cited (€91.58 million) relates to page 55 of the Annual Report and Financial Statements 2011.

This €91.58 million doesn't actually represent 2011 expenditure, rather it relates to funding that the Authority anticipates providing subsequent to 2011 in respect of various approved projects that are underway or in respect of which contractual arrangements have been entered into. Effectively it reflects the level of **commitments** in terms of funding of approved projects that existed at the end of 2011.

The build-up to that €91.58 million is set out below. Within the relevant agency category, the level of commitments can be broken down by individual projects if required.

Contractual obligations at 31 December 2011:

Category	2012 (€ m)	2013 (€ m)	2014 (€ m)	2012-2014 (€ m)
Irish Rail Projects	17.52	7.92	8.93	34.37
RPA Projects	17.70	8.90	-	26.60
Integrated Ticketing	8.20	0.00	-	8.20
Traffic Management Measures & other projects	10.71	0.00	-	10.71

Category	2012 (€ m)	2013 (€ m)	2014 (€ m)	2012-2014 (€ m)
Marlborough Street Bridge	7.00	2.00	-	9.00
Dublin Bus Projects	2.28	-	-	2.28
Bus Éireann Projects	-	0.21	0.21	0.42
Total Committed Funding Amount	63.41	19.03	9.14	91.58

We also noted two further requests for information from Committee members:

8. Number of Freedom of Information Requests in 2011

There were 12 Freedom of information requests in 2011. This was up from 2 in 2009 and 1 in 2010, reflecting, in the main, the impact of absorbing the functions of taxi regulation.

9. A note on management at Bus Éireann

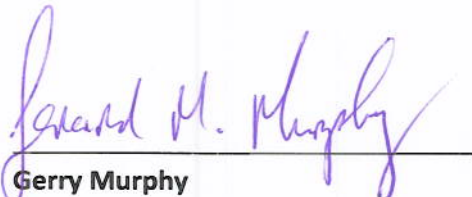
Bus Éireann's staff numbers for the period 2008 to 2012 are detailed in the table below.

Staff Numbers	2008	2009	2010	2011	2012
Management	66	65	58	59	59
All employees	2818	2775	2638	2554	2519

Bus Éireann staff numbers fell by 11% between 2008 and 2012, with driver numbers falling by 7% over that period, reflecting the efforts made to keep as many frontline drivers and vehicles as possible serving customers.

The number of management staff fell from 66 in 2008 to 59 in 2012 (a reduction of 11%), and the payment of bonuses to senior Bus Éireann management ceased in 2008; the last bonuses paid related to the year 2007.

Yours sincerely,


Gerry Murphy
Chief Executive Officer

REF Item 3 above

Figures for the number of taxi licences in operation county by county, including the details on the number of multiple licence holders

Taxi Licence data requested

ACTIVE DRIVER LICENCES / COUNTY

31st December 2012

DATABASE	31/12/2012
AREA	LICENCE AREA ACTIVE
Dublin	16586
Cork	3390
Wicklow	290
Wexford	517
Kildare	922
Carlow	336
Galway	1767
Roscommon	217
Mayo	744
Kerry	987
Donegal	951
Clare	644
Cavan	333
Monaghan	315
Laois	540
Offaly	351
Limerick	1165
Longford	196
Westmeath	542
Louth	1063
Meath	688
Sligo	376
Leitrim	146
Tipperary	602
Waterford	673
Kilkenny	337
TOTAL	<u>34678</u>

VEHICLE LICENCES COUNTY AND CATEGORY
31st December 2012

County	Hackney	Limo	Taxi	Wheelchair Accessible Taxi	Wheelchair Accessible Hackney	Total
CO. CARLOW	33	1	100	15	0	149
CO. CAVAN	76	2	93	7	0	178
CO. CLARE	133	45	182	9	1	370
CO. CORK	466	144	1405	82	2	2099
CO. DONEGAL	220	27	184	18	0	449
CO. DUBLIN	83	364	10588	458	0	11493
CO. GALWAY	202	56	679	60	2	999
CO. KERRY	165	80	232	19	0	496
CO. KILDARE	154	82	638	75	0	949
CO. KILKENNY	36	11	155	22	0	224
CO. LAOIS	56	14	140	27	0	237
CO. LEITRIM	34	6	39	10	0	89
CO. LIMERICK	112	66	522	25	1	726
CO. LONGFORD	26	3	60	8	0	97
CO. LOUTH	69	34	471	35	0	609
CO. MAYO	159	25	157	16	1	358
CO. MEATH	88	63	978	61	0	1190
CO. MONAGHAN	70	7	8	8	0	93
CO. OFFALY	95	16	71	10	1	193
CO. ROSCOMMON	83	14	35	10	0	142
CO. SLIGO	24	14	134	12	1	185
CO. TIPPERARY	210	32	33	3	2	280
CO. WATERFORD	47	48	203	21	1	320
CO. WESTMEATH	33	13	239	28	0	313
CO. WEXFORD	105	44	134	21	2	306
CO. WICKLOW	87	46	270	17	0	420
	2866	1257	17750	1077	14	22964

MULTIPLE LICENCE HOLDERS**As at 4th February 2013**

Vehicle Licence Count	Number of Persons	Sum of vehicle licences
2	797	1594
3	202	606
4	93	372
5	57	285
6	29	174
7	19	133
8	23	184
9	13	117
10	13	130
11	8	88
12	10	120
13	1	13
14	1	14
15	1	15
16	2	32
17	4	68
18	3	54
19	4	76
21	3	63
23	1	23
24	1	24
26	1	26
27	1	27
29	1	29
33	1	33
34	3	102
48	2	96
51	1	51
52	1	52
55	1	55
77	1	77
113	2	226
160	1	160
Grand Total	1301	5119

REF Item 6 above

A detailed list of transport projects which were cancelled and the amount spent on each project by State prior to cancellation. Details to be provided of the loss to the State after costs that can be salvaged are taken into account

Status of Projects intended to be progressed as Public Private Partnerships

It is understood that the information which is being sought relates to the Public Private Partnership (PPP) projects in the public transport area which were underway under the Transport 21 programme, but which have been suspended under the current capital spending plan.

Three significant public transport projects were being advanced as PPP schemes in the period preceding the Government's capital plan introduced in November 2011. These three schemes were:

- Dart Underground;
- Metro North from Swords to the City Centre; and
- Metro West from Tallaght to Airport.

During 2011, a government-wide review of infrastructure and capital investment was carried out, led by the Department of Public Expenditure and Reform. This review concluded with the publication in November 2011 of the government's capital plan titled *'Infrastructure and Capital Investment 2012-2016: Medium Term Exchequer Framework'*.

That document outlines that, given the multi-billion scale of the private finance required for these projects, it had not been possible to secure the necessary finance since the start of the economic downturn. The report also noted that, in light of the then current conditions prevailing on the financial markets and taking account of Ireland's general economic circumstances, it was unlikely that private investors would be willing to commit the level of funding necessary for major infrastructural projects for some time.

The report noted *'In the context of reduced resources, larger public transport projects proposed for the GDA (such as Metro North and Dart Underground which were to be advanced as PPP Projects, but which require very significant Exchequer contributions) cannot proceed at this time. They are being postponed for consideration in advance of the next capital programme which will be drawn up in 2015 and will cover the period from 2016 onwards. These projects are being deferred, not cancelled; they remain key elements of the overall integrated transport strategy for the GDA and will be progressed when fiscal and market conditions improve.'* Metro West was separately noted for deferral and for consideration in 2015 in advance of the next Public Capital Programme.

The expenditure to date and the planning status of each of the above three PPP schemes is set out in the following sections.

DART Underground

As noted in the Government's capital programme, the cost of DART Underground was anticipated to be around €2.6 billion, excluding the electrification works on the Maynooth/Kildare/Northern lines and other ancillary works and rolling stock.

The status of the project is that a railway order application was made to An Bord Pleanála in June 2010. In December 2011, An Bord Pleanála approved the Railway Order with certain conditions, subsequent to which judicial review proceedings were commenced challenging the order. Those proceedings are currently on-going.

Costs incurred on Dart Underground to the end of December 2012 amount to €43.8 million. Irish Rail has advised the Authority that they believe that the costs incurred on Dart Underground are likely to have full value going forward in the event that the project progresses in the short-term, based on the following assumptions:

- That DART Underground will be implemented in accordance with the existing Railway Order;
- That the procurement method for construction of DART Underground is not changed from the proposed PPP contract method;
- That there are no significant changes to Irish and European standards and legislation applicable to the project; and
- That the on-going administration work ensuring the safeguarding of the Railway Order and the route during the deferral period continues.

However, it is the Authority's view that as the deferral period extends, it becomes more likely that various elements of completed planning and design work would need to be revisited and revised to take account of changes that may have occurred over the intervening period. Accordingly, the retained value quantum of the expenditure to date will decrease with the passage of time.

Metro North

In the case of Metro North the estimated projected cost of the project is in excess of €3 billion.

The planning status of the project is that a Railway Order was granted for this scheme in October 2010, and subsequent approval for a depot location near the airport was granted in 2011.

Actual costs incurred on Metro North to the end of December 2012 amount to €165.2 million. This amount includes costs relating to:

- enabling works of €60.7m,
- design and PPP procurement of €32.8m,
- property costs of €25.7m,
- PPP legal, financial commercial and Insurance advisory costs of €20.7m,
- railway order preparation €10.5m; and
- other costs of €14.8m.

Based on relevant assumptions the Railway Procurement Agency [has](#) estimated that 84.1% of the expenditure to date constitutes retained value, with approximately €26.2m (15.9% of expenditure) unlikely to have a residual value when the project recommences. That €26.2m comprises:

- Design development and PPP procurement costs of €4.3m;
- PPP – Legal, financial, commercial and insurance advisors of €5.1m,
- Property costs of €15.7m; and
- Enabling Works of €14.4m.

In terms of the elements of the enabling works that are unlikely to have an on-going residual value, a number of these items relate to the previous interface with the proposed National Children's Hospital, which is now intended to be relocated at an alternative site from the Mater Hospital location. Arising from this relocation, certain works carried out, and costs incurred, will no longer be required for the Metro North project upon its recommencement.

The Authority considers that the retained value in property may be less than that currently estimated by the Railway Procurement Agency. However, this issue, as are the other value calculations, is fundamentally dependent upon the timing of the decision to recommence the scheme.

Metro West

In the case of Metro West planning and design works were completed to Railway Order application stage. A Railway Order application was submitted to An Bord Pleanála in October 2010. That Railway Order application was subsequently withdrawn in September 2011.

Costs incurred on Metro West to end December 2012 amount to €18.7 million. This amount includes:

- Costs for railway order preparation of €10.2m;
- Design and procurement costs of €5.5m;
- Alignment feasibility study and route selection costs of €2.1; and
- Costs relates to the oral hearing process €0.9m.

Based on relevant assumptions it is estimated that 14.4% (€2.7m approximately of the total of €18.7m) of Metro West costs is unlikely to have a residual value. The remainder of the expenditure would continue to retain its value, but that retained value will decrease as the deferral period increases.