

An Roinn Iompair
Turasóireachta agus Spóirt
Department of Transport,
Tourism and Sport



Ms. Éilis Fallon
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

6th November 2019

Your Ref: PAC32-I-1625

Dear Ms. Fallon,

I refer to your letter dated the 17th October 2019, and I would like to apologise for the delay in responding to your request for additional information regarding the issues which were raised at the Committee meeting on the 10th of October in relation to the National Transport Authority's 2018 Financial Statements.

Please find attached the requested information note in relation to the following:

1. The rationale for funding contract staff instead of permanent employees, to include information on the cost of employing contract staff instead of directly employing them (p38-39); and
2. The progress in relation to the transition to permanent employment, to include the policy, process and plans of action being put in place (p40).

Yours Sincerely,

Ailish Neville
Private Secretary to the Secretary General

Lána Liosain, Baile Átha Cliath, D02 TR60
Leeson Lane, Dublin, D02 TR60
T +353 1 604 Email: @dtas.gov.ie
www.dttas.gov.ie

PAC Response

Introduction

At its meeting last month to examine the 2018 Financial Statements of the National Transport Authority (NTA), the Committee of Public Accounts enquired about the NTA's staffing position, especially its use of outsourced personnel and its plans for reducing this use.

The NTA was asked to provide some detailed information to the Committee following its hearing, and has recently responded. The Department was also asked to provide a note about the matter – letter of 17th October 2019 from the Committee refers – and this is the Department's response to that request.

Summary

- The Department has been working closely with the NTA in relation to strengthening its staffing position so that it is robust and sustainable.
- In 2017, the Department sought, and later received, sanction for increased staffing for NTA for posts that the NTA had identified as being its priority issue on the staffing front.
- The Department also encouraged the NTA to make a broader analysis of its overall staff resourcing position. This was so that the NTA would:
 - critically assess its staffing position taking account of its existing/legacy position,
 - identify its business needs into the future, especially having regard to the expanded investment programme it would be managing over the coming years, and
 - develop a staffing plan that could successfully address these matters.
- This resulted in the NTA producing its Strategic Financial Plan, which included a Strategic Staffing section outlining the NTA's requirements in terms of filling key posts to implement major transport programmes. NTA set its plan over the period 2018 to 2023, and structured it over three consecutive phases. Overall, the NTA's plan involves expanding the organisation's workforce. It includes phased recruitment both for identified new positions and for "internalising" some work that previously the NTA had outsourced, thereby reducing its use of out-sourcing.
- Phase I of the Plan (2018-2019) has been sanctioned and is being implemented.
- The Department is in constructive engagement with the Department of Public Expenditure and Reform (DPER) and with the NTA about sanction for Phases 2 and 3.
- The Department's aim throughout has been for the NTA to have sustainable staffing arrangements that leave it appropriately resourced to effectively and efficiently carry out its functions both now and into the future, and that are consistent with public service pay and numbers policy.

Background

The National Transport Authority was established in 2009. Economic and fiscal conditions at the time were extremely difficult, which led to relatively lean resourcing of the new body, including on the staffing front. Expansion of the agency's remit over the following years (e.g. assuming statutory responsibility for integrated ticketing including the Leap Card scheme, regulation of vehicle clamping

and local and rural transport including the Rural Transport Programme), put further pressure on the Authority with regards to staffing levels. Up until 2018, the NTA staffing sanction remained static.

From 2011 to 2014, the Employment Control Framework (ECF) was the overarching policy for management of the NTA's staffing levels. The ECF was replaced by the "Delegated Sanctioned Headcount" and "Delegated Pay Sanction" in 2015. In 2018, following engagement with DPER, the Department issued revised staffing protocols to the NTA advising that headcount numbers can be managed internally within the NTA, with the proviso that the cost cannot exceed the value threshold of the agreed pay sanction.

Recent Engagement with NTA on Planning and Sanction for its Staffing Needs

In August 2017, the NTA sought sanction from the Department for 12 additional staff positions that it identified as a priority requirement. Following consideration by the Department in consultation with NTA, discussions on this request took place with the Department of Public Expenditure and Reform. The Department supported the proposed expansion. DPER approved sanction for these positions in May 2018, and sanction for the filling of the 12 priority posts was conveyed to the NTA.

Around this time also, the new National Development Plan was developed (published in February 2018), which set out plans for extensive capital investment in Ireland's public transport infrastructure over the coming 10 years. It includes programmes such as Bus Connects, Metrolink, and DART Expansion. Both the Department and the Department of Public Expenditure and Reform recognised that the proper implementation of this expansive strategic programme would require additional human resourcing of the NTA. So – while the specific sanction request for the priority posts was progressing – the NTA was encouraged to undertake a broader and deeper assessment of its staffing needs generally, with a view to developing a proposed staffing profile for the coming years that could address its existing/legacy situation across the organisation and its business needs into the future.

Following this work, in July 2018, the NTA presented its Strategic Staffing Plan 2018-22 to the Department. The Plan outlined the NTA's analysis of its organisational resourcing needs over the 5-year period that would enable it to successfully deliver the pipeline of strategic projects that are large in scale and ambition. The staff resourcing requirements identified in the Plan reflected the NTA's assessment of its ability as an organisation to successfully deliver the expected outcomes of its strategic programmes. The NTA's Plan set out its recruitment ambition over three phases: 2019 (Phase 1), 2020 (Phase 2) and 2021 (Phase 3).

Prior to its 2017 request for sanction for priority additional posts, and while assuming additional functions (such as those outlined above in this note) over its early years of establishment, the NTA's staffing sanction had remained relatively static. This was not unusual among State bodies in those years. Over time, the Authority came increasingly to use outsourced placements to assist it in fulfilling its remit and statutory functions, particularly in the planning and implementation of major strategic programmes. A certain level of outsourcing will always be required for certain roles such as fixed term projects or programmes or where specialist expertise is required. Particular projects, which require specialist skills and are of a fixed term, would include next generation ticketing related

to BusConnects and specialist IT service. However, it became clear during discussions in 2018 between the Department and the NTA on the latter's draft Strategic Financial Plan that the number of outsourced personnel had grown to a level that was not optimal for the NTA's business needs and resulted in a higher cost.

In light of this, the NTA was tasked to review its Plan so as to address this issue. The NTA submitted a revised Strategic Resourcing Plan (2019-2020) in July 2019. The Strategic Plan sets out the staffing requirements of the Authority to meet its statutory obligations and delivery of the public transport elements of the National Development Plan 2018 – 2027. The revised plan updated the resourcing and funding required for phase 2 of that Plan (64 staff required in 2020, 42 of whom relate to internalisation of work) and phase 3 of the Plan (a further 32 staff required in 2021, of whom 16 relate to internalisation of work). This results in a reduction from the expected level of 56% at the end of 2019 to 32% in its proportion of outsourcing.

Progress on Implementation

In December 2018, the NTA received approval from the Department and the Department of Public Expenditure and Reform (DPER) for the sanction and funding of the Phase 1, involving 26 additional new positions. The recruitment of the additional personnel commenced in January 2019 and all new staff are expected to be in place by December 2019.

Phase 2 of the Plan was approved by the Department's Management Board in July 2019. The Department is engaged with the Department of Public Expenditure and Reform, and with the NTA, about sanction for Phases 2 and 3. Discussions are continuing about approval of the associated delegated pay sanction for Phase 2 of the Plan.

The Department's aim in this matter is for the NTA to have sustainable staffing arrangements that leave it appropriately resourced to effectively and efficiently carry out its functions both now and into the future, and that are consistent with public service pay and numbers policy.

