



## **Briefing Paper to the Oireachtas Committee of Public Accounts regarding the National Transport Authority in advance of its appearance on 27<sup>th</sup> January 2022**

### **Role of National Transport Authority (NTA)**

The Authority is a statutory non-commercial State body, which operates under the aegis of the Department of Transport.

#### **Legislative Framework**

The Authority was established in December 2009 following the enactment of the Dublin Transport Authority Act 2008.

It was originally conceived as a transport authority for the Greater Dublin Area under the 2008 Act. However, it was subsequently renamed the National Transport Authority in the Public Transport Regulation Act 2009, which, when enacted, extended the Authority's functions to include the licensing of buses and small public service vehicles nationally and the regulation of public transport service contracts.

The Taxi Regulation Act 2013, which consolidated and updated primary legislation in relation to the licensing of small public service vehicles and drivers, also extended the geographic scope of some of the Authority's functions nationally.

The Public Transport Act 2016 further extended the Authority's powers to empower it make bye-laws regulating the use of certain subsidised public bus services by passengers.

The Vehicle Clamping Act 2015, which gives the Authority responsibility for the regulation of clamping activities nationally, came into operation on 1 October 2017.

The Authority also has some specific functions in respect of infrastructure and the integration of transport and land use planning in the Greater Dublin Area, reflecting the particular public transport and traffic management needs of the eastern region and the earlier intent in establishing the Authority.

#### **Statutory functions**

In broad terms, the Authority's statutory functions can be summarised as follows:

##### **National (including the Greater Dublin Area)**

- Procure public transport services by means of public transport services contracts;
- Provide integrated ticketing, fares and public transport information;

- Develop an integrated, accessible public transport network;
- Licence public bus passenger services that are not subject to a public transport services contract;
- Provide bus infrastructure and fleet;
- Provide cycling infrastructure and schemes to promote cycling;
- Develop and implement a single public transport brand;
- Develop and maintain a regulatory framework for the control and operation of small public service vehicles (taxis, hackneys and limousines) and their drivers;
- Regulate vehicle clamping activities in the State;
- Prepare statutory submissions on Regional Planning Guidelines;
- Collect statistical data and information on transport;
- Enforce EU passenger rights in rail, maritime and bus and coach transport;
- Validate EU authorisations and journey forms in relation to bus and coach travel in accordance with EU Regulation No. 1073/2009; and
- Operate as the national conciliation body for electronic toll service providers.

#### Greater Dublin Area alone

- Undertake strategic planning of transport;
- Invest in all public transport infrastructure;
- Secure the effective management of traffic and the effective management of transport demand.

#### Other functions

In addition to its statutory functions the Authority also undertakes a number of functions on behalf of the Department of Transport on a non-statutory basis. The non-statutory functions include:

- Planning and funding of sustainable transport projects in the regional cities of Cork, Galway, Limerick and Waterford;
- Administration of the Smarter Travel Workplaces and Smarter Travel Campus Programmes;
- Management of the Green-Schools Travel Programme;
- Provision of accessibility funding to transport operators and other relevant bodies; and
- Manage the funding of Rural Transport Programme;
- Strategic transport planning for the regional cities (Cork, Galway, Limerick and Waterford).

The remit of the NTA is primarily concerned with the planning, development and funding of sustainable transport modes, that is to say public transport, cycling and walking.

At a national level, the Authority has responsibility for securing the provision of bus and rail services. This includes the provision of subsidised services through directly awarded contracts with Bus Éireann, Dublin Bus and Irish Rail. The Authority also tendered for the provision of bus services across the country and our contracted operators include Go-Ahead Ireland Ltd, JJ Kavanagh, Bernard Kavanagh, M&A Coaches and Wharton's Travel. The Authority is also responsible for light rail services provision which we procure jointly with Transport Infrastructure Ireland. The day-to-day management of the contract with Transdev Ireland for the operation and maintenance of Luas services has been assigned by the NTA to Transport Infrastructure Ireland (TII)

The Authority also regulates and licenses public bus passenger services which operate without subsidy from the state. The NTA manages the Rural Transport programme on behalf of the Department of Transport. The Rural Transport Programme funds the provision of Demand-Responsive bus services across rural Ireland and the administrative costs of the 15 Local Link offices that manage the delivery of both the Demand-Responsive and Regular Scheduled Transport services in rural areas.

Associated with the bus, rail and light rail services, a key role for the Authority has been the integration of payment systems and information for public transport users. The Authority has overseen the successful introduction of initiatives such as the Leap Card, a real-time passenger information system for buses, and an intermodal journey planner which covers all the public transport services provided by private and public operators in the state.

The Authority is also responsible at a national level for the licensing and the regulation of small public service vehicles comprising taxis, hackneys and limousines and the regulation of Vehicle Clamping.

### Transport Strategies

Within the Greater Dublin Area the Authority has a greater depth of functions. The Authority's role covers not only public transport capital investment and provision of services but also securing greater integration between land use and transport planning. The Authority's statutory Transport Strategy for the GDA 2016-2035 set out the key transport projects that are required to be delivered to provide for the growth in travel demand by sustainable modes. This strategy is required to be updated every six years to reflect any changes in travel demand and any new government policy.

On a non-statutory basis, the NTA has worked in partnership with the relevant local authorities to produce a transport strategy for the metropolitan areas of Galway, Cork, Limerick/Shannon and Waterford. The strategies for Galway and Cork are completed, the Limerick/Shannon Strategy is at 2<sup>nd</sup> draft stage and Waterford is at 1<sup>st</sup> draft stage.

### Draft Transport Strategy for the Greater Dublin Area 2022 – 2042

The Authority published an updated Draft Transport Strategy 2022 -2042 for public consultation late in 2021 which reflected the National Development Plan and Climate Action Plan.

Under the Strategy, greenhouse gases linked to public transport will fall dramatically. This will come about as a result of further investment in Dart and Luas, which are already fully electric, but also as a result of the complete transition away from fossil fuels for buses within 13 years.

Overall transport emissions are to fall by 51% by 2030 under the Climate Action Plan published recently and by 69% over the course of this Strategy, but transitioning fleet to zero-emission fleet means that public transport itself will go beyond those figures.

Transport proposals including an acceleration of investment in walking and cycling infrastructure will also deliver substantial greenhouse gas reductions during the lifetime of this strategy. However, additional measures will be required to further incentivise a move away from diesel and petrol fuelled journeys. To that end, the NTA will undertake a detailed assessment of such measures – particularly in the area of demand management – which is likely to include: new parking arrangements; zonal charging; tolling and road pricing; and further vehicle electrification.

The Draft 2022-2042 Transport Strategy seeks to build on the elements already delivered under the 2016-2035 Strategy, and also to reiterate commitments already in place. In addition it adds new elements and new projects to reflect the evolution of the national policy framework since 2016 such as the NDP and the Climate Action Plan.

Among the elements of 2016-2035 Strategy that have been completed or significantly progressed are:

- Luas Cross City
- Phoenix Park Tunnel
- Roll out of cycle tracks and greenways
- Metrolink
- DART+ Programme
- BusConnects Programme including new network, core bus corridors and transition to low-emission fleet

Among the elements that have already been proposed and which are to be further progressed and delivered during the lifetime of this Strategy are:

- All elements of Bus Connects Dublin
- Increased bus prioritisation on regional bus corridors including on approaches to the M50 and the built-up area of the city
- Revised and enhanced GDA Cycle Network Plan
- Provision of high-quality pedestrian facilities and pedestrianised routes
- Next Generation Ticketing
- Luas extensions to Finglas, Lucan, Poolbeg and Bray
- 100km of electrified rail under DART+ Programme
- Metrolink from north of Swords to Charlemont
- Upgrade of capacity for Luas Green Line

The NTA has not proposed any change in the timeline for Metrolink or the Luas projects in the draft Strategy. Metrolink is still scheduled to go to planning this year and is still scheduled to be constructed

as soon as possible after that. Luas to Finglas is still due to go to planning in 2024 and constructed in the years after that. The other three Luas projects are all still on the same schedule they were on the draft Strategy in line with the National Development Plan.

Newly-proposed plans in this Strategy include:

- Provision of a new rail line from the M3 Parkway to Navan;
- Extending the DART+ programme to deliver electrified rail services to Sallins/Naas, Kilcock and Wicklow
- The planning and design of a further 8 Luas extensions/ new Luas lines to be ready for construction post 2042:
  - Luas to Clongriffin
  - Luas to Balgriffin
  - Luas extension to Tyrellstown
  - Luas to Blanchardstown
  - Luas extension to Clondalkin
  - Luas to Tallaght / Kimmage
  - Luas to Tallaght / Knocklyon
  - Luas to UCD / Sandyford (reduces future passenger congestion on the Green Line in the future)

Provision remains in the draft Strategy for a DART Underground tunnel, but based on projections for 2042, the NTA is of the view that the net increase of people using public transport as a result of the tunnel would only be in the order of 10,000 a day, as part of a total of about 1.4m a day. It is proposed to keep DART tunnel under ongoing review.

The closing date for submissions was 10<sup>th</sup> January 2022. A total of 1275 submissions and survey responses have been received and work continues on preparing a final draft for approval by the Minister for Transport in Q1 2022.

### Capital Investment

The Authority manages the capital investment programme for public transport infrastructure, cycling and walking in the Greater Dublin Area and funds the transport operators and local authorities for approved projects. The Authority also manages a similar capital investment programme for the local authorities outside the GDA on behalf of the Department of Transport and we manage the National Accessibility Programme.

In line with a Government decision in January 2020, the NTA has been designated as the Approving Authority under the Public Spending Code for each of the three very large public transport projects – MetroLink, BusConnects Dublin, and the DART+ Programme. In the case of MetroLink and the DART+ Programme, the NTA works with the relevant Sponsoring Agencies - Iarnród Éireann for the DART+ Programme and Transport Infrastructure Ireland for MetroLink

– in relation to the delivery of those schemes. BusConnects Dublin is being implemented directly by the NTA, and, accordingly, the NTA is also the Sponsoring Agency for this programme.

Due to size and scale of these multi-billion euro projects, Government approval will be required at certain key ‘Decision Gates’, with the first of these being the approval of the Preliminary Business Case for each project. In December last the Government approved the DART+ Programme Preliminary Business Case, enabling the award of a fleet contract and the submission of a planning consent application for the DART+ West element of the programme. It is anticipated that the Preliminary Business Cases for MetroLink and BusConnects Dublin will be approved in the coming months, but acknowledge that these will be Government decisions.

In previous years the Authority grant-aided Dublin Bus and Bus Éireann to purchase fleet for the services operated under a public services contract. In the last few years the Authority has procured the fleet directly to ensure a consistency across the subsidised public transport fleet particularly as private operators started providing services under contract to the NTA. Following a government decision not to procure diesel fuelled fleet for urban services from July 2019, the Authority has now developed a strategy to transition the public bus fleet in urban areas across the state to zero emission at the tail pipe by 2035 through a steady annual replacement.

It should be noted that the Department of Transport is in contract with Iarnród Éireann for the maintenance of the rail infrastructure i.e. tracks, signalling, stations etc. and provides funding annually through that contract. The Department also funds Iarnród Éireann directly for any enhancement of rail infrastructure outside the Greater Dublin Area.

### Transport Regulation

NTA is the licensing authority for small public service vehicle (SPSV) licences. An Garda Síochána is the licensing authority for SPSV driver licences. Both licences have three status points:

- Current/Active (*although a licence holder may choose not to operate, the licence is live*);
- Inactive (*a licence holder may reactivate a licence within a defined period*); and
- Dead (*the licence may no longer be reactivated*).

#### ***Licences in Current/Active status***

	Mar-20	Dec-20	Nov-21	Dec-21
Driver	27,228	26,105	25,416	25,426

<b>Vehicle</b>	21,235	19,352	18,918	18,946
----------------	--------	--------	--------	--------

**Table 1:** Overview of SPSV driver and vehicle licences in the fleet

The Authority publishes an annual statistical bulletin on Small Public Service Vehicles which is available at [www.nationaltransport.ie](http://www.nationaltransport.ie).

## Governance

### Department of Transport

The NTA maintains regular contact with the Department of Transport which includes a monthly Monitoring Committee meeting. An Oversight Agreement (OA) and Performance Delivery Agreement (PDA) 2018-2021 was agreed between the Department and the NTA and was reviewed regularly during the period. These agreements continue to apply into 2022 while new agreements are established for 2022-2025.

### Code of Practice for Governance of State Bodies

The NTA adheres fully to the Code of Practice for the Governance of State Bodies and all circulars emanating from the Department of Transport and the Department of Public Expenditure & Reform.

### Board

The Authority is governed by a Board of twelve members appointed by the Minister for Transport. Three positions on the Board are *ex officio* positions reserved for the Chief Executive and another senior manager of the Authority and the Chief Executive, Dublin City Council.

### Advisory body

The role of the Advisory Committee on Small Public Service Vehicles is to provide advice to the Authority or the Minister for Transport, as appropriate, in relation to issues relevant to small public service vehicles and their drivers.

Members of the Advisory Committee are appointed by the Minister for Transport.

### NTA Statement of Strategy

The NTA published its Statement of Strategy 2018-2022 in 2018 following the participation of the board and NTA staff and consultation with key stakeholders. It outlines the key priorities and objectives the Authority has set out to achieve up to 2022. The Annual Business Plan approved by the board is based on the key objectives of this strategy and sets out key performance indicators for the year.

## Staffing

The Authority was established in 2009 just as the country was experiencing a severe economic downturn. While the remit of the Authority grew substantially, the Employment Control Framework restricted the numbers of permanent staff the Authority could employ despite the growing programme of activities.

In mid-2018 the Authority completed its first Strategic Staffing Plan which outlined the Authority's anticipated staffing needs for the period 2019 - 2022. This increased our employee headcount by 119 up to 233 for year-end 2021. The majority of these roles have been filled along with backfills. The 2020 Programme for Government subsequently resulted in a significant increase in the NTA's programme of work for the coming years. As such, it was recognised that more roles would likely be required to support delivery of the new Programme for Government.

The Authority's Strategic Staffing Plan 2022-2026 was submitted to the Department of Transport and the Department of Public Expenditure & Reform in July 2021 to support the request for further employee roles with 80 of these roles identified for recruitment across 2022. The Authority awaits formal approval from DPER.

## Funding

The funding sources of the Authority include Oireachtas grants, Small Public Service Vehicle (SPSV) and bus licensing income, bus shelter advertising income and fare revenues. The Authority has seen a growing scale in operations in recent year and the table below provides an indication of the flow of monies through the organisation for the last three years.

### National Transport Authority

#### Income & Expenditure Summary

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Total Income	1,085,003	661,254	587,263
Total Expenditure (including transfer to capital account)	(1,082,495)	(669,084)	(586,669)
<b>Surplus/(Deficit)</b>	<b>2,508</b>	<b>(7,830)</b>	<b>594</b>

#### Note

The generation of the deficit in 2019 and the surplus in 2020 is a function of a timing difference between the cash receipt reporting of Oireachtas grant income and accrual accounting of expenses.



## **Auditing**

RSM Ireland 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 and Risk Committee which is drawn from members of the Board with two additional members external to the Board.

The Leap card scheme is well established and a significant proportion of passenger fare revenue is paid through the scheme. Given the importance of the scheme, an independent review of the internal controls of the scheme is carried out annually in accordance with the International Standard on Assurance Engagements (ISAE) No. 3402.

I attach in Appendix 1 a list of the internal audits carried out in 2020 related to internal governance and financial controls of the Authority.

## **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 and have endeavoured to use the most efficient mechanism for delivery of those services.

## Appendix 1

List of the internal audits carried out in 2020 related to internal governance and financial controls of the Authority

<b>List of Internal Audit Reports completed in 2020</b>		
<b>Subject of the Report</b>	<b>Report Author</b>	<b>Date of Publication</b>
Review of Capital Internal Expenditure 2019	RSM	10 June 2020
Data Protection compliance – Legal review of documented policies and procedures	McCann Fitzgerald	13 July 2020
Review of Central Finance, Accounts Receivable, Cash Receipts and Income other than Grant Income	RSM	7 September 2020
IT Security, BCP & DR and the NISD Compliance Review	RSM	16 September 2020
Review of Accounts Payable – Electronic Sign Off Controls	RSM	23 September 2020
Review of Project Management	RSM	23 September 2020
Review of Performance Monitoring re 2018-2022 Statement of Strategy	RSM	24 September 2020
Review of Protected Disclosures Procedures	RSM	2 November 2020
Review of Fixed Assets	RSM	17 November 2020
Review of Procurement Procedures	RSM	25 November 2020
Review of Contract Management	RSM	26 November 2020
Review of NTA TCU Administration	RSM	26 November 2020
Review of the Administration of 2019 Junior PSO Payments	RSM	26 November 2020
Review of Central Finance Areas	RSM	14 January 2021

Review of NTA Risk Management and Corporate Governance	RSM	14 January 2021
Review of Bus Asset Management	RSM	18 January 2021
Review of Stakeholder Engagement and Complaints Management	RSM	18 January 2021
Review of the approvals system and processes for capital accessibility grant allocation and authorisation	RSM	3 February 2021
Leap Card Scheme ISAE 3402 Report year ended 31 December 2020	KPMG	24 March 2021