



Northern Ireland
Assembly

Committee for Regional Development

OFFICIAL REPORT (Hansard)

Inquiry into the Better Use of Public and
Community Sector Funds for the Delivery of
Bus Transport in Northern Ireland:
DE/SELB Briefing

30 January 2013

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Bus Transport in Northern Ireland: DE/SELB Briefing

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Members present for all or part of the proceedings:

Mr Jimmy Spratt (Chairperson)
Mr John Dallat
Mr Stewart Dickson
Mr Alex Easton
Mr Ross Hussey
Mrs Dolores Kelly
Mr Declan McAleer
Mr Ian McCrea
Mr David McNarry
Mr Cathal Ó hOisín

Witnesses:

Mr Alan McMullan	Department of Education
Mr Gary Montgomery	Department of Education
Mr Dale Hanna	Southern Education and Library Board

The Chairperson: The next briefing is from the Department of Education. I welcome Alan McMullan, who is the head of the school access team; Gary Montgomery, who is the deputy head of the school access team; and Dale Hanna, who is the transport officer for the Southern Education and Library Board. You are very welcome to the Committee, gentlemen. I invite you to make your submission and then to leave yourself open to questions.

Mr Alan McMullan (Department of Education): Thank you, Chair. I am the head of the school access team for transport, and Gary is my deputy. Between us, we are the Department's full transport team on the policy side. Dale is on the operational side from the education and library board.

I would like to make a few comments. Back in 2005, the Northern Ireland Audit Office (NIAO) report commented that co-operation between education and health transport services was limited. At the same time, the report acknowledged that any transition to co-ordinated services would be a complex and challenging concept for all concerned, including community transport, as each served a distinct clientele with different operating environments, funding sources and vehicle requirements. As a result of that NIAO report, an interdepartmental steering group was established to consider the issues and promote partnership. The main outcome of the group was to conduct a downtime survey of both Departments and support services, which established that each had limited downtime that could be utilised by the other. It would take approximately one to one-and-a-half hours downtime to be available to release a vehicle for use by the other party by the time it moved from the end of one operation to the start of another, undertook the actual run and returned to the original location. Also,

the pattern of demand for both organisations was essentially the same, reducing the possibility of sharing.

In addition to availability, there were other issues such as insurance, the suitability of vehicles for adults and children, child protection concerns and driver contracts, which would have to be overcome before sharing could become a reality. One further issue that will affect health, vehicles and community transport undertaking school work in the future is that new Department of the Environment legislation requires, by September 2014, all school buses to be fitted with particular lighting and signage for safety purposes. That having been said, I would like to make it clear that we are not against improved collaboration or sharing of vehicles or facilities if it is shown to be feasible and cost effective.

The Committee will be aware that the Department of Education and the Southern Education and Library Board actively engaged in the DRD-led pilot in the Dungannon area, in which public and community transport providers are working together to explore the potential benefits of working more closely in the delivery of services to the public. The pilot covers the Southern Education and Library Board area. It is in its early phase, and I look forward to seeing the results as to whether there are opportunities for a more economical service that could potentially contribute to savings to all parties.

The Committee should also be aware that the Minister of Education has indicated to the Assembly that he intends to bring forward a review of the home-to-school transport policy once the way forward on the current area planning process for schools becomes clear. The last school transport review was undertaken in 1996.

One last point that I would like to draw to your attention is that we are only legally obliged to provide assistance with transport, and not actual transport, to eligible pupils. Also, that assistance is provided for educational reasons; that is, it is to ensure that no parent can claim in court that their children cannot attend school because they live beyond statutory walking distance, which is the rationale behind the distances of two miles for primary schools and three miles for post-primary schools. We will try to answer your questions here today, but should you raise any question that we cannot respond to immediately, we will be happy to give you a written response in due course.

The Chairperson: OK. Thank you. Just let me set the context. First, I will read out the costs, so that members of the Committee are aware of them. In respect of board vehicles, the average cost per pupil per year is £938, which is £9.38 per pupil per journey; Ulsterbus is £630, which is £6.30 per pupil; Metro is £537 per year, which is £5.65 per pupil; the daily allowance is £591 per year, which is £6.22 per pupil; listen to this one — the cost for taxis per pupil per year is £2,371, at a cost of £25 per journey; and private sector coaches and minibuses are £820 per year, which is £8.63 per pupil. That is all public money being spent.

The budgets are staggering when you look at the amount of money spent. Ulsterbus costs £28 million a year. The board vehicles cost £23 million a year. Taxis cost nearly £8 million a year. Private operators cost £6 million a year. Metro costs £1.6 million a year. Daily allowance is £1.6 million a year. Northern Ireland Railways costs £352,000. Translink costs £277,000. Bus Éireann costs £89,000. The Strangford and Rathlin ferries cost £12,060. Apart from taxis, board vehicles incur the highest average cost per pupil journey, while the cost of Translink services and even private operators is considerably less. How do you justify the continuing use of board vehicles? Secondly, given that you maintain such an extensive fleet, how do you justify spending almost £8 million a year on taxis? Thirdly, the 2005 audit report recommends a pooling of transport budgets to encourage joined-up working. What are your views on that, given that you are also accused of working in a silo and protecting your own jobs, as opposed to doing what is best value for the public purse?

Mr A McMullan: I will take those points in order. You commented first on the board unit costs. It has to be remembered that the boards' yellow and white buses operate primarily in rural areas where Translink is not operating. Those buses pick up the more difficult routes; the non-economical routes that Translink will not operate on. Within the statistics you have looked at, board buses are used for children with special educational needs, in some cases extreme medical conditions. They are used for all the children in wheelchairs, and wheelchair buses carry far fewer in capacity. A 33-seater bus fitted out for wheelchairs may take only six or eight wheelchairs. So, hidden within those costs is the transport of a considerable number of medically challenged individuals. That is why the unit cost is considerably higher.

The Chairperson: What is that number?

Mr A McMullan: Board vehicles transport about 25,000 individuals. Within that, you have at least 3,000 to 4,000 children with special educational needs (SEN) going to special schools.

Mr Dale Hanna (Southern Education and Library Board): I would like to add to that, from an operational point of view. Take a special needs bus. There are overheads on that bus. There is a driver; there are five or six wheelchair passengers; and we have to have an escort on the vehicle. There are more overhead operating costs. The other key point is that each of those vehicles will go to a pupil's home. Translink buses go down the main roads and pick up at bus stops. We have a fleet of 825 vehicles. About 25% of them are primarily devoted to children with special educational needs. We go to each —

The Chairperson: How many?

Mr Hanna: About 25% of the overall fleet is dedicated to pupils with special needs. Each vehicle has to go to the pupil's home.

As far as the schools those pupils go to are concerned, there are far fewer specialist settings. For example, I manage the Southern Board area. We have three buses that have to travel to Belfast every day, to Fleming Fulton, because it is the only specialist setting in Northern Ireland. It really is not a case of comparing like with like. Alan was absolutely right to draw out the differences in the overall costs.

The Chairperson: We have established that 25%. What about efficiencies in the other 75%, which is still costing £9.38 a journey?

Mr A McMullan: It is not costing £9.38. If you take —

The Chairperson: What is it costing? You tell us.

Mr A McMullan: You are taking the complete figure and dividing it by the complete number. If you take SEN out, you then have to do a separate calculation to know exactly what the board cost for, for want of a better word, ordinary, eligible people would be.

The Chairperson: Can you tell us what that figure is?

Mr Hanna: In the Southern Board area, the last time we did a calculation, it was about £560 per pupil.

The Chairperson: That is £5.60 a head. Is that right?

Mr Hanna: Sorry; it is £560 unit cost per pupil per year. I do not know how you got to the daily figure.

The Chairperson: It was the Assembly's Research and Library Service.

Mr Gary Montgomery (Department of Education): It is possible that it may have taken the number of school days; most pupils are at school for 180 school days. They make two journeys, so it is 360 journeys per year divided into the overall total. I cannot be certain.

The Chairperson: The Research and Library Service would get all the figures from the Department.

Mr Hanna: You have members here from rural areas. In fact, the vast majority of Northern Ireland is rural. Alan referred to the statutory obligations of within two and three miles of pupils' homes. We are operating in very rural areas. We have to go up small roads to get to people's homes to provide a service, so there will be an element of cost in delivering that service.

The Chairperson: You were here for all of the previous presentation. You heard us refer to vast sums of money that have been saved by local authorities across the water. Local authorities there, as opposed to boards and all the rest of it here, deal with education. Very substantial amounts of money have been saved simply by using a joined-up approach. What have you done about that approach?

Mr A McMullan: I would like to come back on the point about local authorities. You are comparing local authorities in England with the education system that we are running here in Northern Ireland. How schools are managed there and here is not the same. In England, pupils go to the nearest school. In Northern Ireland, that is not the reality of things; the eligibility criteria for our home-to-school transport is the two- and three-mile distance. It is also about categories of schools. There are six suitable categories. I am not saying that there are six separate bus systems; do not misread me. However, there is a division in the system here that does not happen in local authorities in England.

The Chairperson: Could there be a better joined-up approach here?

Mr A McMullan: Possibly. It —

The Chairperson: What have you, as a Department, done about that?

Mr A McMullan: We are talking about being joined up with, first of all, Translink.

The Chairperson: What about with health?

Mr A McMullan: I will come to health. I will do Translink, then health and then community transport. As far as Translink is concerned, the boards have to look at their whole route planning each year to know exactly how to get the pupils to school. Pupils change each year. The boards work constantly with Translink on the routes that should be public and those that should be dedicated school bus routes. They also discuss how the yellow and white board buses should meet certain Translink routes to help to get children to school.

For health, we conducted a downtime survey. The boards looked at every bus in the fleet and put down the route and the times that it is used. Buses are used to get children to school, but they are also used for a considerable number of other things, such as educational trips, swimming trips, youth clubs and other community work. Dale will be able to comment on that. They are also used for delivering meals to country schools. The downtime survey found that an extremely limited number of vehicles would be available to go from where they finished to the point at which they need to pick up and do the run and then be back in position again to meet our obligations to get the pupils back to school. The only area in which there was any scope was in the Western Board, which is an extremely rural area. All the drivers who are employed by us are part-time. Buses tend to be kept not at central depots but at houses. It is more difficult to get additional routes. That was probably the only area in which there was potential for sharing.

The Chairperson: OK. What about the other question about the 2005 audit report?

Mr A McMullan: Sorry, your other question was about taxis.

The Chairperson: Yes.

Mr A McMullan: When we look at how to get eligible pupils to school, we look first at the mass transport method, which is Translink's public services. For those who remain, we then look at the board buses to see whether we can develop a route. If we cannot have a board bus or a Translink bus in place, we look a private hire contract bus. It is only having gone through that do we get near other possibilities, such as taxis or parental allowances, for children whose situation cannot be resolved by other means. The majority of children in taxis are those with special educational needs. A taxi is given in virtually every case because of the statement of special educational needs; there is a medical reason to do so. It has been decided by medics and it is, in effect, given to the boards saying that it is to be provided. That does not mean that there is one taxi for each individual child. The board looks at the routes that the taxis are on and it will put one, two or three children in the taxi. Also, if the statement allows, the board will use the taxi for a child without a medical need, so we fill up the taxis that way. The taxi cost is high because it is in the statement of special educational needs.

Mr Hanna: It is very similar to the special needs buses that boards run. Most pupils will require an escort of some description on the vehicle, so there is a wage cost. It is very much a door-to-door service, because the recommendation will involve the safety of the child getting to and from school. We have to go to the child's home to pick them up. We have to get them to school on time. We have to get them to the specialist settings, which are not just two or three miles down the road. In the Southern Board area, the average distance is at least 10 miles or 11 miles for each child living beside

each specialist school. We are transporting children to Belfast. In one instance, we are transporting a child to Scotland to attend school. That is exceptional, but we have to take the child to the airport and we have to have an escort. The headline figure looks —

The Chairperson: Are you saying that the wage costs of the supervisors are in the £25 per journey?

Mr Hanna: Yes.

The Chairperson: Maybe you could give us some evidence of that in writing.

The 2005 Audit Office report recommended the pooling of transport budgets to encourage joined-up working. What do you think about that?

Mr A McMullan: We looked at pooling the vehicles to see whether that would work. Pooling the budgets is a possibility. You could do it on the procurement side. It depends on the type of vehicles that both organisations would be ordering. They meet different requirements: one is for ill people and the other is for schoolchildren. The potential for efficiencies in that regard may not be that great. Dale, do you want to comment on fuel and maintenance?

Mr Hanna: There could be scope in vehicle maintenance. The boards already procure fuel on a joint basis. Equally, given that a lot of vehicles are located in rural areas, we tend to fuel at local petrol stations through a fuel card system. It is not economical to drive a vehicle 10 miles or 15 miles to a health service or Translink depot to fill up.

The Chairperson: OK. You said that there could be savings in the procurement of fuel and stuff like that. Does that mean that you have done nothing about it? It is a simple answer: yes or no.

Mr Hanna: The boards have not done anything about it.

The Chairperson: OK, so I take it that that is a no. Thank you.

Mr Dallat: I am sitting here almost daydreaming, and I should not be. School transport in Northern Ireland is a product of the 1944 Education Act, which became law here in 1947. Initially, it was to bring the sons and daughters of farmers to good grammar schools. Is it not hopelessly out of date and does your evidence this morning not suggest that there is a need for a radical reappraisal of the whole school transport system?

Mr A McMullan: As I said, the rationale behind it is not about transporting children to school but about the situation in which a parent cannot claim that their child cannot get to school because the statutory walking distance is two and three miles. If a child lives within that distance, is not attending school and the parents are taken to court, they have no excuse. If they live beyond that, we are there as a provider of assistance with transport so that they can get to school. That is the rationale.

The last policy review was in 1996. Education, like many other areas, has moved on. There is a lot more collaboration and movement of pupils between schools. If we were to review the policy now, we would look at a different provision. The Minister indicated to the Assembly that he will bring forward a review of the transport policy at the correct time. He has judged that to be after the area planning proposals are looked at in detail.

Mr Dallat: Chairperson —

The Chairperson: Very quickly, John.

Mr Dallat: Just one question —

The Chairperson: We are getting quite a bit behind. I want to move to 2013 as opposed to 1947, please. *[Laughter.]*

Mr Dallat: Is Translink cherry picking the transport routes?

Mr A McMullan: That is a good question. I do not know the answer. Translink provides a service under contract. It has to meet its public service requirements. It carries the majority of our pupils: approximately 50,000 of the 90,000. It really is for Translink to decide how it provides its service on a route, whether a bus is a dedicated school bus for schoolchildren only or whether it is a public service with quite a number of children on the bus. At the end of the day, that is its operational aspect, and within that, we pay an amount to get that number of children to school.

Mr Dallat: Finally, Chairperson, and without going back to 1947 —

The Chairperson: Thank you.

Mr Dallat: — does all this not suggest that the system is hopelessly out of date and does not take into account the modern difficulties that children have, even those within the three-mile limit, who are walking on narrow roads, open sheughs, cow pats and everything else, and should be immediately reappraised?

Mr A McMullan: I go back to the point that the Minister has accepted that a review of transport policy is required and will be brought forward at the appropriate time.

Mr Ó hOisín: Just to be simplistic, 60% of schoolchildren are transported by Translink — end of story. The Education Department has 1,000 vehicles. We have an argument. I do not get this downtime thing. I would really need delve more into the detail and get the evidence of that. The school year is 180-190 days, with the result that there are more days in the year when schools are not operating than they are.

I take on board what you are saying in respect of educational trips and youth clubs, but there is still a significant portion of the year in which there is no usage. Again, I do not take on board your downtime and usage because I think that the experience of most people and most members when they go by schools is that they see buses sitting there for quite long periods every day. There has to be some sort of radical reassessment, as John Dallat alluded to. What is your view on a single government agency starting to look at this? We hear about all the difficulties and the silo mentality around transport, and the issues here are the same issues that we heard from the health people. There has to be a real radical look at this issue. We have to look at the economies of scale, and we have to look at the critical masses. Those all have to be examined very closely. Do you agree with that?

Mr A McMullan: I do not have a problem with there being a radical look at it, and all the Departments getting together to take it forward. You commented on the downtime. I am perfectly happy to provide the Committee with a copy of the downtime survey. It shows that, during school time, buses have a very limited amount of downtime to be able to do a full run somewhere else. I will get Dale, who is on the board side, to comment on their use during school holidays. The buses are sitting in the evenings as well, and there is potential there to use them, but, remember, they are board buses that have been built for children.

Mr Hanna: On a practical level, you have an asset sitting there in the summer holidays. However, if we take the special needs fleet, the vast majority of those vehicles are quite busy during the summer, because special schools have summer schemes that last for three or four weeks. Drivers work during term time, and they are entitled, like any other employees, to annual leave, so they take the bulk of their annual leave during the summer. With board buses, we try to make sure that their main maintenance cycle takes place during the summer, so that buses are not off the road when they should be on the road. We also introduce training for drivers during the summer. Common sense will say that there is a vehicle sitting there not being used during the summer time, but if you want to use that vehicle, there will be an associated cost, because you will have to employ somebody to drive it, and you will have to put diesel in it. So, there will still be an additional cost. It is not that the vehicles can be used within the current cost structures. There will be additional cost for using them.

Mr Ó hOisín: There is a cost for them just to sit there as well. With regard to the downtime figures, are those consolidated or are they across the board? In board areas, such as that of the Western Board, it would obviously be higher because of the logistics involved. Is there a breakdown of that?

Mr A McMullan: The downtime survey includes every vehicle in the board fleet at that stage right down to the registration. I am quite happy to provide the Committee with that.

Mrs D Kelly: I understood that school transport was being reviewed. Has there been no review following on from the audit reports? Would it not be annual good management practice to have continuous monitoring and evaluation of service delivery?

Mr A McMullan: There is continuous monitoring. As I said earlier, pupils change each year. You lose a lot and you gain years one and eight. In the main, you know the fundamental numbers that are on most routes, and the routes are likely to remain there. However, they could change the route, and, as a matter of course, the boards have to look at all routes. Going back to taxis, every single taxi is looked at, and an assessment is made as to whether there is the need there for it and whether more children will be put on to it, so that is definitely ongoing all the time.

Mrs D Kelly: You may recall that there was compulsive competitive tendering under the Thatcher Government in relation to the provision of some health services, particularly around local government. Has there ever been an assessment in respect of competitive tendering within school transport provision?

Mr Hanna: All taxi transport is competitively tendered for on a regular basis. We have other runs for the buses that we competitively tender. Each board will market test some of its own services as well to assess value for money. In respect of the bulk of the transport, remember that the previous Minister stated that Translink was going to continue as a regulated service. By doing that, it is difficult to get any competitive element into the procurement of public transport, because, by default, there is only one provider in Northern Ireland.

Mrs D Kelly: So it is a monopoly service, really. In the Minister's making that decision, would the Department not have been advised to test the market on that theory?

Mr Hanna: That is above my level. I just try to get the buses to people's houses.

Mrs D Kelly: Earlier, we put a question to the health representatives about the working group and what it is doing to look at greater collaboration between health and education. We know that buses are passing each other in the same country lanes.

Mr Hanna: We are working with that group in my area. We are networking all our vehicles to see exactly where there are overlaps.

Mrs D Kelly: Is this in Dungannon?

Mr Hanna: Yes; in the Dungannon area.

Remember that we have vehicles operating in the morning taking children to school, for example. However, in health, they are taking their clients to adult facilities that operate at the exactly the same times. You also have child protection issues. Although clients travelling on health service vehicles are considered vulnerable adults, they are adults. There are child protection issues that would have to be worked around in respect of transporting an adult with a child. The perception is that there are lots of vehicles being driven around that could be utilised in a much better way, but I do not think that that is the reality.

Mrs D Kelly: Between £72 million and £78 million for the school population that we have is a huge sum of money that would not be acceptable in any other region.

Mr Dickson: I will ask you a similar question to what I asked the health officials. Do you simply ignore audit reports? What have you been doing since 1999? You may tell me that it is complicated. In 2000, the Audit Office agreed that it was complicated but said that it was high priority. We are still sitting today with only one pilot. The reality is that you have done nothing since 1995, and it is only now that you have introduced a pilot. I would like you to comment on that.

Secondly, is there any reason why some of your vehicles could not simply also pick up fare-paying passengers who may wish to go in the same direction as the pupil, go to the same town as the pupil and take advantage of going back at the same time as the pupil? Have you ever considered that? I am not asking you to put on an additional bus. I am simply asking this: are there places where you have space, and is there any reason why you could not take a fare-paying passenger? Do not give me child protection as a reason, because you would then have to talk to me about child protection in

respect of all those children who travel on services run by Metro, Ulsterbus and Translink, which are just normal service providers.

Mr A McMullan: First of all, we did do something about the 1995 audit report. We did our downtime survey with DHSSPS. We worked very closely with that Department. We went right down to the detail of looking at every single bus. The conclusion was that there was a very limited amount of fare capacity available to do additional routes. So we did do something about that audit report.

Mr Dickson: Why did you do that only with the Department of Health?

Mr A McMullan: We work all the time — every year — with Translink on the routes that we have to supply to pupils. We are working with Translink to look at how board buses connect to the Translink route. That work with the boards on how they deliver their service is done on an ongoing basis. The only area that we have not collaborated with is community transport, but there is a licensing issue there that I know that the board will be able to comment on.

Mr Dickson: Can you explain the licensing issue to us? It is coming up time and time again that there are licensing issues with community transport.

Mr Hanna: There are various ways to license the operation of a bus. There is a scheme in education called the 10B permit scheme, which allows us to operate our own vehicles not for hire and reward, which sits outside the road traffic legislation of operating for hire and reward. So, fundamentally, we cannot operate for hire and reward. We cannot lift a passenger and take money off them because that is outwith the legislation with which we must comply.

Mr Dickson: Those are only bits of paper and rules. Rules can be changed. You could be designated as both a school bus and community transport, and you would still not necessarily be lifting a fare.

Mr Hanna: As regards passengers, you made the point about picking up an adult. You said that you do not want to me to mention child protection, so I will not mention that. However, you are asking about value for money. As a board manager, if I have a bus with 33 seats, I am allocating 33 pupils to that bus. I am not allocating 20 so that there are 13 spare seats.

Mr Dickson: So every bus is full every day?

Mr Hanna: I am not saying that every bus is full every day. Parents may decide not to use the service, and it may not be utilised fully. However, it would be very difficult for us to manage starting to lift fares at any given time. It is possible, but, in the current system, we are trying to maximise our current school transport fleet. I think that I would be better placed making sure that that happens, as opposed to setting up a system that may pick up one or two random adults now and again.

Mr A McMullan: Also, the routes change each year, potentially. The pupils change every year, and the boards react to that every year and decide how to change their routes. If you thought that you maybe could put on a route that the public would know was operating with a board bus, it may last only one year.

Mr Dickson: You have certainly given me an insight into why the Audit Office said in 2000 that it was complex. However, it also set it as a high priority for you to resolve.

The Chairperson: Given that the figure for the board — the number of board vehicles, maintenance, and all the rest of it — is £9.38 a head, and private sector coaches and minibuses can do it substantially cheaper, with no cost of vehicles or anything else, what have you done to put more and more of the education boards' work out to the private sector?

Mr A McMullan: As I said earlier on, that £900 figure includes special educational needs. You would have to take that figure out. If you bring that figure out, you will find —

The Chairperson: We established that that is 25%.

Mr A McMullan: Yes, but it is a significant amount.

The Chairperson: We established that that is 25%. The question to you is this: what have you done about reducing the size of your fleet so that the public purse does not have to supply the bus, the fuel or anything else? It can be done by the private sector a bit cheaper. I suggest that it would be done substantially cheaper if you did not have the cost of a vehicle and the cost of fuel. Have you done anything about that? I want a simple answer: yes or no.

Mr A McMullan: There has been no specific exercise in relation to that. The private sector will not be able to pick up the special educational needs.

The Chairperson: I understand that. We are taking that 25% out. That is not the question that I asked you, Mr McMullan. I asked you about the other 75% and how we can give better value to the public purse. However, you tell us that you have not done anything about that. That is the simple answer.

Mr A McMullan: Yes.

Mr Hanna: There has not been a direct exercise on that, but it is chicken and egg. There is currently not the capacity in the private sector to pick up the additional work that the five education and library boards do.

The Chairperson: If the work was there, the private sector might buy more vehicles.

Mr Hanna: I did say that it is chicken and egg.

The Chairperson: That is not a very satisfactory answer, quite frankly. The work is not there at the minute, but I suggest that the private sector would expand if there was additional work for it to do. It would be substantial saving to the public purse, and you, as a Department, have not even thought about it. That does not shock me for one minute.

Mr McNarry: I think that I might go into business. Would you go in with me? *[Laughter.]* It is quite simple. If the costs mean that it is not efficient or value for money, can the transport sector that you are involved in be improved by utilising a joined-up approach? In other words, would you like to see an overarching agency adopted to deliver a joined-up approach?

Mr A McMullan: I would certainly not be against the various Departments getting together in a proper exercise to look at the possibility of making savings and sharing vehicles. Whether one particular body is the answer to that issue, I really cannot say.

Mr McNarry: From what you are saying, it is quite clear that you have not really discussed it in any great detail with any other transport provider.

Mr A McMullan: No.

Mr McNarry: That is part of the failing, and it is what this Committee is delving into in its inquiry. I am quite shocked by what I am hearing.

The situation can be improved; intuition tells me that. This is like what the Chairman was delving into, but let us try to have a straighter answer. Could your service be improved by a more cost-effective operation that is handled by a commercial company?

Mr Hanna: The key cost drivers in transport are fuel —

Mr McNarry: No. Look: it does not matter who is driving a bus; they will all pay the same for fuel. I am asking you a direct question. Could a commercial company replace you and be more cost effective?

Mr Hanna: I do not know.

The Chairperson: The figures suggest it, anyway.

Mr McNarry: Maybe it is something that we might look at —

Mr A McMullan: Given that we already transport —

Mr McNarry: I am not criticising you and your jobs. You have a job to do; you use the tools, and those are the tools. I am interested in finding out whether the end product gives value for money. I am not convinced that it does. I understand that you have to take time to look at this, that and the other, and that perhaps you neglected the efficiency side of it. As has been said before, there have been enough reports and recommendations to ask somebody to put it into order, but that, clearly, has not been done. I need to find out whether you are maximising the end product. Until I hear something better from you, I believe that a commercial company would be better value for my constituents.

Mr Hanna: I do not think that the answer to that is yes, and I will give you some reasons. A commercial operator would come in with commercial ideas about what it would do. It would look at the efficiencies of the service and deliver them in a practical way by reducing the distance of the routes so that it does not have to do as many miles. That will reduce the —

Mr McNarry: I am not asking you to put up obstacles. If I were a commercial company — I will not dwell on this —

The Chairperson: It would have to do what you contract it to do.

Mr McNarry: Exactly. You, Dale, would probably be someone who I would headhunt. I bet that, if I headhunted you and put you in a commercial company, you would not give me that type of answer.

Mr Hanna: Maybe not. Sometimes, there is a hidden value. A very real example is the work that the boards do with their vehicles to schools, school trips, swimming trips and youth clubs. We provide that at a no-profit basis. My head is spinning because I am thinking about what you are saying about a commercial venture. The reality is that a commercial venture would come in and not work —

Mr McNarry: So, you actually work to a profit?

The Chairperson: You still have to supply the vehicles and all the rest of it. You would have less —

Mr Hanna: It would want a profit margin.

The Chairperson: You would have less in salaries. That would be picked up. I suggest that the other sector could do that work as well.

Mr Hanna: I would have thought that, to begin with, you would have had the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) regulations, so 825 drivers would transfer under current terms and conditions.

The Chairperson: To where?

Mr Hanna: To any new commercial venture.

The Chairperson: In the private sector?

Mr Hanna: Yes.

The Chairperson: That may be. I am not going to get into an argument about TUPE with you. Some local authorities across the water said to all of their employees that they are employed today but not tomorrow; they put them onto protective notice for a period and they moved them onto new contracts. That is what they had to do across the water in terms of the cuts, but I do not want to get into that because that is not what we are talking about.

Mr I McCrea: I appreciate that these guys are working within the confines of the policy that is there. Dale and I have locked horns on a few occasions as he is the transport manager for the area that I

represent. Nonetheless, I want to take up the point made by Cathal Ó hOisín, which was the use of vehicles outside school time. I drive around my constituency, and certainly in Cookstown there is a horde of buses sitting around when they are not being used. I look at the usage on Saturdays when, having left my son up, I noticed that the school hires a bus from the private sector to take the kids to the different sports, hockey matches or whatever, when there are dozens of board buses sitting there.

They have to take into consideration the price of a driver, and all the rest of it, but I cannot for the life of me understand why there cannot be a competitive cost if you compare that with the private sector when the bus is sitting there at a loss in any case. Is any work being done to address that problem and to see how the board buses can become more competitive in the sense of utilisation in the schools?

Mr Hanna: We do try to market our service as best we can. The Southern Education and Library Board, for example, does 3,000 trips a year. That is a significant amount of work. Yes; at the weekends our buses are out doing work. In Cookstown, for example, and maybe it is unique in that area, certainly the private sector is used. However, we speak directly to the schools, ask them to come to us and we will give them a price. Again, however, that is their budgets and LMS money, and we cannot dictate to them that they use our services.

Mr I McCrea: I find it strange, to say the least. It is part of the whole issue of what we are discussing. The money is deemed just to be wasted whenever there is a resource sitting on your doorstep.

The Chairperson: In relation to Cookstown in your answer to Mr McCrea, I assume that is because the private companies are doing it cheaper than the prices you are giving to schools in the area.

Mr Hanna: I am not sure exactly what the reason is.

Mr I McCrea: I do not know but can we find out?

Mr Hanna: The principal of each school makes a decision based on his or her budgetary requirements.

The Chairperson: Logic would tell you that that is probably the reason, would it not?

Mr Hanna: It may well be.

The Chairperson: I would suggest that it is the reason. Thank you very much for your evidence. There are a substantial number of questions that we will be sending to you in writing, which we would like answers to. A number of papers were referred to, which we will be asking you for as well. Thank you very much.