



Northern Ireland
Assembly

Committee for Regional Development

OFFICIAL REPORT (Hansard)

Inquiry into Comprehensive Transport
Delivery Structures:
Belfast Taxis CIC Briefing

10 April 2013

NORTHERN IRELAND ASSEMBLY

Committee for Regional Development

Inquiry into Comprehensive Transport Delivery Structures: Belfast Taxis CIC Briefing

10 April 2013

Members present for all or part of the proceedings:

Mr Jimmy Spratt (Chairperson)
Mr John Dallat
Mrs Dolores Kelly
Mr Declan McAleer
Mr Ian McCrea
Mr David McNarry
Mr Cathal Ó hOisín

Witnesses:

Mr Brian Barr	Belfast Taxis CIC
Mr Eamonn O'Donnell	Belfast Taxis CIC
Mr Stephen Savage	Belfast Taxis CIC

The Chairperson: I welcome Brian Barr, transport manager; Stephen Savage, manager; and Eamonn O'Donnell, director. You have 10 minutes in which to make a presentation and then you should leave yourselves open for about 10 or 15 minutes for questions.

Mr Eamonn O'Donnell (Belfast Taxis CIC): On behalf of Belfast Taxis Community Interest Company (CIC), I thank the Committee for this opportunity to address it. For over 40 years, Belfast Taxis CIC has been central to the provision of local transport services, primarily in north and west Belfast. The delivery of that community-based service has sustained thousands of drivers in employment, often in times of high unemployment down the years, while contributing significantly to the economic life of Belfast. That essential contribution to the social and economic life of Belfast has been sustained solely by Belfast Taxis CIC. To date, there has been no public investment, despite the employment of 200-plus drivers.

Belfast Taxis CIC has undergone considerable internal change, providing it with a strong foundation on which to build for the future. That includes a complete restructuring of its board, new governance policies having been adopted and a successful application to the Department for Regional Development for fuel duty rebate, which generates an additional income stream for its drivers. Belfast Taxis co-exists alongside Translink on a number of routes in north and west Belfast.

When Belfast Taxis became aware that the Committee was holding an inquiry into comprehensive transport delivery structures, we decided to set out our stall given the terms of reference. We would like to address a number of points. I would like the Committee to look at the cost of our services and that of Translink services for the same area. We understand that we are not Translink, but we ask the Committee to look at issues of fairness. Translink completed 66.5 million bus passenger journeys last year across the North and received £69.2 million in bus subsidy that we did not get. Most of that

subsidy is explained away in non-profit-making routes and night-time services. Every passenger journey costs the Assembly at least £1.04. Every person getting on a bus costs the Assembly over £1. In north and west Belfast, we lifted over three million passengers last year without that cost to the Assembly.

We would like you to recognise the level of service that Belfast Taxis delivers without subsidy — not only the frequency of service but the higher standard of service for people with disabilities in wheelchairs, in that we will manually handle those who need assistance into our vehicles; bus drivers do not. The frequency of service of Belfast Taxis is better than that of Translink. We have over 200 vehicles servicing routes in north and west Belfast. Our drivers will manually handle a wheelchair into the vehicles. Translink policy is that a person must board the bus themselves.

There is unfairness within the transport market in north and west Belfast, where one provider is subsidised to cover a large percentage of the market and another significant provider in the same area is not subsidised. We are talking about concessionary fares and a large portion of the market. Translink is subsidised to lift older people, schoolchildren with passes and people with disabilities, including those on disability living allowance (DLA), at no charge to the passenger. That is 20% of the market receiving free transport from one provider, paid for by the Assembly. No one can compete for that trade. That is serious market unfairness. Our belief is that the Assembly is about establishing fairness, equity and free and fair markets for all citizens. There is market unfairness in the transport sector in north and west Belfast, which has cost us 30 jobs and a loss of two million passenger journeys a year since 2008, which is when concessionary fares were introduced in our area.

Belfast Taxis CIC would like to explore new services that we believe would enhance the delivery of services across north and west Belfast. New technologies allow for new services to be delivered. We want to explore Belfast Taxis becoming part of the new integrated ticketing system that is being planned for Belfast. We plan to install a new transport management system for the fleet, which will allow new services to cater for people with disabilities and the more vulnerable in society.

The new service would deviate off route to pick up passengers who struggle to reach the route. It would be a more people-friendly service that would serve our citizens well. New technologies would allow us to service uneconomical routes better. We could direct vehicles to passengers.

Belfast Taxis CIC would like to talk about some uneconomical routes that would be better served by a taxibus service and the monopoly that Translink has across the board. It is time for a new discussion about uneconomical routes. People living along uneconomical routes suffer a lack of service. We believe that it is time for a new discussion on uneconomical routes that goes further than Translink. We believe that a taxibus service has the potential to service those routes for a fraction of the cost.

Most uneconomical routes are in areas with high unemployment, high incidence of poor health and high numbers of people claiming DLA. Belfast Taxis would like to set out our stall about how we see our future plans tying in with those set out by the Department for Regional Development and the Office of the First Minister and deputy First Minister's Programme for Government. We would like to talk about sustaining and growing employment and better service delivery through new technologies. We are talking about the traffic management system, some of the other new technologies, upgrading our fleet through a one-off £6 million grant and beginning a conversation about access to the concessionary fares scheme.

We believe that we can sustain our current workforce and grow it by another 50 sustainable jobs through the introduction of concessionary fares for taxibus services, night rider services and the development of new services. Given our insurance commitments, we can also offer jobs to young people between the ages of 21 and 24 who are not in education, employment or training (NEET), in line with Programme for Government targets.

We wish to upgrade the fleet in north and west Belfast. To do that, we need a one-off grant of £6 million from the Department. That grant would set up a new fund to buy a new fleet. Drivers would pay back into the fund, and the fund would continuously replenish the fleet. We would like a grant to purchase new technologies and for fleet management, onboard cameras and integrated ticketing services. We would also like to be part of the overall transport network in Belfast.

Our vision is for Belfast Taxis to play our part in the transport network across Belfast, along with our colleagues on the Shankill Road, who we recently assisted to get a stage carriage licence, to be part of the integrated system that is seamless and delivers for all our citizens. We want to be recognised as the reliable service provider that we are, delivering cost-effective services.

I will recap. We are asking for access to the concessionary fares scheme, to begin the conversation on uneconomical routes with a taxibus service and for a £6 million grant for new taxis and to set up a fund. We estimate that a grant to buy new technologies would cost around £1 million. We also invite the Committee to come out to our operating centre at some stage and view our services and facilities.

We thank you for this opportunity to address the Committee.

Mr Ó hOisín: Thanks, Eamonn, for your presentation. On the face of it, you are looking to replace a new fleet at a cost of around £6 million and to buy new technologies. What would the return on that be? What would be the benefits across the board for that investment of £7 million?

Mr O'Donnell: You would get 50 new jobs for £7 million, which we believe to be cheap at the price. You would be sustaining 200 jobs into the future. Without investment or input from the Department, those jobs could be lost, which would cost a lot more than the money that we are asking for. There would be a new fleet, which would provide a new look for Belfast. It would build on the whole vibrant image of Belfast. The taxibus drivers would be your ambassadors across the city, and it would provide a good image of Belfast. It would bring in new technologies and greater accountabilities for the Department, for KPMG or whoever the auditors are who want to come out to us. It would also reduce the carbon footprint.

Mr Ó hOisín: Would that be a one-off payment that would mean you are self-sustaining thereafter, ad infinitum? How do you see that being managed?

Mr O'Donnell: There are two parts to that. The first is the new technologies, which we need for the accountabilities that the Committee and the Department would need. Secondly, we would set up a fund for people to buy vehicles for the new fleet in north and west Belfast. We would ensure that the drivers pay back into the fund, which would replenish itself and renew the fleet. From a one-off payment, the fleet would continuously replenish itself.

Mr McNarry: You are very welcome. Do you have a business plan for items 4, 5 and 6 in your briefing paper: new services; uneconomical routes; and the £6 million grant?

Mr O'Donnell: The business plan is in development. We have the outline plan. We applied to the social investment fund to develop the business plan to a far greater degree.

Mr McNarry: When will you have that?

Mr O'Donnell: I expect that we will have a finished business plan within two months.

Mr McNarry: It would be interesting to see that.

The Chairperson: We will write to ask for it.

Mr McNarry: How cost-effective would the one-off £6 million grant be in comparison with the services that you are trying to replace or compete with?

Mr O'Donnell: It would be very cost-effective. The drivers would get new vehicles and new jobs would be created and sustained. We do not foresee big price hikes for the services that we deliver on the streets. Access to concessionary fares will allow drivers to pay back into the fund. It will be cost-effective for the individual on the street because it will put taxibuses into streets where they were not operating previously.

Mr McNarry: The £6 million of public money comes from all the public. This is specifically for Belfast, and I am quite supportive of that, but I would like you to come back having developed your business plan to cover the cost-effectiveness of the grant. It is public money for Belfast; in other words, my constituents in Strangford would be putting their hands in their pockets for it as well.

Mr O'Donnell: Can I answer that?

Mr McNarry: Of course you can.

Mr O'Donnell: We have a model for a taxibus service that will be rolled out in north and west Belfast. We want that model to be taken into other areas, including rural areas. It can be adopted for towns, villages and whatever.

Mr McNarry: But the £6 million is for Belfast.

Mr O'Donnell: This £6 million is specifically for Belfast, but the model could be adopted elsewhere.

Mrs D Kelly: Thank you for your presentation. What is the structure of the company? Who owns the company? You mentioned your colleagues on the Shankill. The £6 million is for your company. Would there potentially be a similar requirement for the other providers in other districts, in south and east Belfast, for example?

Mr O'Donnell: The company was restructured recently. We have turned it into a community interest company. We have an asset lock, which locks the company into the community. The drivers' association and community groups have been locked together to form a board, which includes a solicitor and representatives of local businesses. I sit on the board to represent taxi development. All those people, including the drivers, are locked together, which forms a community ethos. The people we deliver our services to are represented by the community groups. The people who are running the business sit on the board, so it is structured as a community interest company.

Mrs D Kelly: It is basically a social economy.

Mr O'Donnell: Yes, it is.

Mrs D Kelly: On that basis, are you not eligible for grants from the Department of Enterprise, Trade and Investment (DETI)?

Mr O'Donnell: To be honest: accessing grants from DETI has been extremely difficult. My experience has been that DETI, more or less, looks for you to be exporting goods across borders, overseas and whatever. There has not been the level of investment in the social economy that we would have expected. We have found it very difficult to get at.

Mr McAleer: You are very welcome here. I like what we are hearing. The Committee was in Glasgow recently, and we learned how they have the whole thing integrated. So, I like your ideas for an integrated ticketing system or something like that. You aspire to get access to the concessionary fares scheme. What sort of accountability mechanisms would you put in place for that?

Mr O'Donnell: We are aware that accountability around concessionary fares is a massive issue. It is a massive issue for the Committee and the Department. Having worked with the Department's auditors, KPMG, we understand the issue. We want to explore the new technologies, which will include an onboard camera, a swipe card that goes from the car to the base or somewhere in the Department, and a transport management system. The new technologies will mean that there is a paper trail, footage of a person getting into the vehicle and an electronic readout. We believe that that would address accountability issues over and above what we are expected to do or what is in place.

The Chairperson: The 2007 review of the concessionary fares scheme found that the taxi card had quite a number of deficiencies around the risk of fraud and the cost of administration. How would deal with that issue?

Mr O'Donnell: It is similar to my answer to the last question. When we talk about investment in the new technologies, we are talking about putting in the cameras, the swipe card and the traffic management system. You will be able to see a vehicle from your operating centre, wherever it is. There will be footage of somebody, whoever it is, getting in with their card for the concessionary fare. There will be footage, a paper trail and an electronic readout. As regards administration, we have an office staff of five people who deal with fuel duty rebates and stuff like that. They could do the admin and work alongside the likes of KPMG to address whatever other accountability measures are required.

Mr Stephen Savage (Belfast Taxis CIC): Our place also employs 12 loading staff, who deal with customers.

The Chairperson: OK; thank you for your presentation.

Mr O'Donnell: Thanks for the opportunity.