



Northern Ireland  
Assembly

Committee for Regional Development

# OFFICIAL REPORT (Hansard)

Community Transport: Department for  
Regional Development and Rural and  
Community Transport Groups

22 April 2015

# NORTHERN IRELAND ASSEMBLY

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Department for Regional Development and Rural and Community Transport Groups

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**Members present for all or part of the proceedings:**

Mr Trevor Clarke (Chairperson)  
Mr Seán Lynch (Deputy Chairperson)  
Mr Joe Byrne  
Mr John Dallat  
Mr Declan McAleer  
Mr David McNarry  
Mr Stephen Moutray  
Mr Cathal Ó hOisín

**Witnesses:**

Mr Ciaran Doran	Department for Regional Development
Mr Tony McConnell	Department for Regional Development
Mr Paddy McEldowney	Easilink
Ms Anita Flanagan	Fermanagh Community Transport
Mr Billy Moore	North Coast Community Transport

**The Chairperson (Mr Clarke):** I do not know whether or not you need to make a presentation, Ciaran. Given what we have heard, there are lots of questions that we want to ask, but you may want to give some sort of overview.

**Mr Ciaran Doran (Department for Regional Development):** If you bear with us for a couple of minutes, we will keep it short. We would like to make a couple of points, and then we will be happy to deal with any questions.

**Mr Tony McConnell (Department for Regional Development):** This will be very brief, as the presentation has been sent to you in slides. I have just a couple of points. The Department and the Minister support and have supported the work done by the rural community transport partnerships. We have done that year on year. We recognise that the end users are really where the focus should be. Across all the partnerships, there are 4,500 active users who regularly use the services. We want to ensure, as far as practically possible, that those services are protected.

As you know, the cut to the Department is £60 million. That had to be taken account of when the budget for the rural community partnership and the Community Transport Association was allocated. We also worked in previous years with other Departments in trying to secure funding. Last year, we spent £500,000 from DARD that was allocated to rural community transport partnerships from the assisted rural transport scheme. Also, some of the rural partnerships undertake work on behalf of

Disability Action to provide Disability Action's services in the towns that they operate in. Last year, that totalled approximately £800,000.

We understand the pressures that the partnerships are under. As I said, we value the work that they do. We recognise the work that the volunteers do, but there is a cost to the volunteers; the volunteer drivers are paid 50p per mile that they travel. That cost comes from the budget as well. We look at their costs in relation to how we allocate funding, and I will go into that in a wee bit more detail. Those figures come from their accounts. We get accounts in each year, and those become the baseline for where those costs come from. We start from the allocation of funding.

There are pressure areas for us going forward. There are issues around licensing for the rural community transport partnerships. The Committee received presentations on that previously. There are the EU state aid guidelines in relation to providing state aid, which we have to work to —

**The Chairperson (Mr Clarke):** Tony, if I can stop you there, we are starting to stray into areas that really have nothing to do with how you cut a budget by a third. You are starting to talk about areas that may face us and may be difficulties, but they are not the current difficulties. If we can stick to what we want to talk about today, I am happy to talk to you about state aid and everything else in the future. The reality is that you have made a cut, and the Minister has supported you. You said that it was 25%, but it is clearly 33%. Do you have anything more in your presentation relating to that? We will come to state aid and funding for the future another day, but let us stick to the business for today.

**Mr McConnell:** That is fair enough.

**Mr Doran:** In relation to the percentage of the cut, I think that that point was raised previously. Essentially, the way our budgets work is that we have a baseline budget, which was, and has been historically, about £2.75 million for rural community transport partnerships. It has been reduced to £2.4 million. When we quote a percentage cut, we can either refer to that or we can refer to the fact, and we acknowledge completely that the allocation for the year that has just ended was £3.6 million. That is where the 33% cut refers to.

**The Chairperson (Mr Clarke):** Do you know an interesting thing here, Ciaran?

**Mr Doran:** Yes?

**The Chairperson (Mr Clarke):** Do you have your slides?

**Mr Doran:** Yes, I have the slides that we sent.

**The Chairperson (Mr Clarke):** Look under the heading 'Funding to Community Transport Providers'. Do you want to look it up?

**Mr Doran:** Yes, OK.

**The Chairperson (Mr Clarke):** Can you tell me where you are coming to the Committee to tell us what the baseline was for 2014-15?

**Mr Doran:** The baseline for 2014-15 was £2.75 million.

**The Chairperson (Mr Clarke):** Where is that? It is not on that.

**Mr Doran:** No, it is not referred to there, but that was the —

**The Chairperson (Mr Clarke):** The Minister is on record as talking about the reality in relation to getting in-year monitoring. I am looking at the one that you have helpfully provided. I would rather talk about the actual funding.

**Mr Doran:** OK. I understand that.

**The Chairperson (Mr Clarke):** The offer was made in and around probably March or April. I am happy to stick to £2.75 million. Before June, it was taken to £3,627,000.

**Mr Doran:** Chair, with great respect, in relation to the budget, you have to appreciate that it was not until towards the end of the financial year that has just ended — around the end of February — that we, as officials, knew how much the budget for rural community transport was going to be. We tried to engage —

**The Chairperson (Mr Clarke):** No, you are going to answer a different question. At the start of the last financial year, you made them an offer, and you are saying that it is —

**Mr Doran:** No; that is not true, Chair, with great respect.

**The Chairperson (Mr Clarke):** So they started the service with no money.

**Mr Doran:** No; we did not make any offer. We asked them to engage in, or start, a business planning process, which was essentially a process whereby they would provide information on the number of trips and on various other things, and the level of funding they felt they required for the new financial year. From our point of view — I cannot say whether it was understood by the partnerships — it was always understood that we had to await the outcome of the Budget process and the deliberations that had to happen in the Department regarding how much funding would actually be available to community transport. We never made an offer. The formal offer that has been made to the partnerships was the letter that issued on 1 April.

**The Chairperson (Mr Clarke):** Sorry, can I stop you again, Ciaran? Can I take you back to last year — not this year but last year?

**Mr Doran:** You mean 2014-15.

**The Chairperson (Mr Clarke):** Yes, the one in which you said that your baseline was £2.75 million but you ended up with £3.6 million. At what stage did you top it up from £2.7 million to £3.6 million?

**Mr Doran:** I do not have the exact dates, but it would have been in the early part of 2014-15, when the letters of offer that were issued to the partnerships were agreed.

**The Chairperson (Mr Clarke):** Was it within the first couple of months?

**Mr Doran:** It was probably within the first three months. I cannot remember the exact dates.

**The Chairperson (Mr Clarke):** That would have given the partnerships an indication early on of how they could do their business. That is where I think the members would prefer to work. I do not mean this to be disrespectful to community transport, but I am not really interested in how they view it. Committee members view it as £3.6 million, and they see this as a reduction to £2.4 million, because, in the early part of the last financial year, the community transport sector had £3.6 million. They knew that that was what they had to spend; and this year they came to the table as honest brokers. Some of them made genuine offers. I see you twitching at that. Is "honest brokers" not the right term?

**Mr Doran:** No, Chair; sorry, I did not mean to twitch.

**The Chairperson (Mr Clarke):** They came to it as honest brokers and made a genuine offer to make a reduction in their service and increase the number of trips. I think someone's words earlier were that you, "slashed them further" to £2.4 million.

**Mr Doran:** Part of the difficulty here — and I am not trying to slight the rural community transport partnerships — is that we are dealing with 11 organisations. So, when people make comments, we need to bear in mind that the Department receives information from all the organisations concerned. My understanding is that, in the early part of this year, when the information was provided to us about the level of funding they hoped that the Department would be able to provide, it was actually well in excess of the budget that it turns out we have to work with. That is a fact.

Just to make this absolutely clear; I am not denying that some organisations put forward figures in relation to expenditure or budgets that showed some reductions on the previous year. Some did not. In making a decision on how to allocate a much more limited budget, I accept that our budgets have

been cut and that we are dealing with a smaller cake. Inevitably, that means that there are difficult decisions to be made, but — excuse me, because I have a bit of a cough.

**The Chairperson (Mr Clarke):** I know the feeling.

**Mr Doran:** It is getting worse.

One of the very important points that we have to make here is that, in the last couple of years, a number of rural community transport partnerships have been supported indirectly through funding from the Disability Action transport scheme.

Another important issue I will raise is about the level of reserves. Our understanding, based on analysis of the accounts — and we are keen to work with partnerships in looking at the latest set of accounts when they are available — is that the actual level of reserves has increased quite dramatically over the last couple of years. From our point of view — and this has no influence on the fact that the budget was reduced from whatever to £2.4 million — in allocating funding between partnerships, the level of reserves is something we have to bear in mind, because —

**The Chairperson (Mr Clarke):** Can I just stop you? You are giving lengthy answers, and there are lots of things in there that I would like to ask about. You are talking about the level of reserves. If we pick any partnership — and I do not like doing this, so I will just pick a number rather than name a partnership — let us take one that got £428,000 —

**Mr Doran:** Yes, one of the tables shows —

**The Chairperson (Mr Clarke):** What would you expect its reserves to be?

**Mr Doran:** There are reserves policies and —

**The Chairperson (Mr Clarke):** No. You said previously that you had to bear in mind the level of reserves, which is probably code for saying that you expect them to use their own money.

**Mr Doran:** No, I think —

**The Chairperson (Mr Clarke):** Sorry; let me finish my point. That sounds to me like code for saying that they should use some of their own money. What do you believe should be a fair level of reserves for those organisations? What percentage of their total?

**Mr Doran:** I suppose the best way I can answer that question is to say that, obviously, it depends on the individual circumstances of the partnerships.

**The Chairperson (Mr Clarke):** Do you look at that?

**Mr Doran:** The levels of reserves we are referring to here are after all liabilities recorded in their accounts have been taken into account. The issue for the Department is that we are dealing with taxpayers' money. The issue for us is making sure that funding that is provided to the community transport partnership —

**The Chairperson (Mr Clarke):** Sorry —

**Mr Doran:** If I could finish, Chair. It is that it is actually spent —

**The Chairperson (Mr Clarke):** You are going off on a tangent here. None of us would disagree with the sentiments you are expressing. We all want value for taxpayers' money. We will come on to value for money in a minute, but you still have not answered my question. What level of reserve do you believe each of them should have?

**Mr Doran:** I think the current guidance is something in the region of three to six months' worth of their operating costs.

**The Chairperson (Mr Clarke):** So, three-to-six months.

**Mr Doran:** Our view — and we are very keen to see the latest set of accounts — is that a number of the rural transport partnerships are in excess of that. I understand the difficulties that individual organisations have, but it is an important issue for us, because some of them are nowhere near that level.

**The Chairperson (Mr Clarke):** Let me stop you there again. I agree with everything that you are saying about taxpayers' money, because we are all taxpayers. How many months' reserve does Translink hold? That is public money, and a public fleet, public everything. How many months' reserve does it hold, Ciaran?

**Mr Doran:** At the minute —

**The Chairperson (Mr Clarke):** When it was holding £54 million — let us get back to the £54 million — how many months' reserve was that?

**Mr Doran:** As I understand it, the current reserve in Translink is just below £40 million out of a total turnover of £200 million.

**The Chairperson (Mr Clarke):** That was not my question. I am asking you how many months that £54 million would see it through.

**Mr Doran:** In terms of expenditure?

**Mr Byrne:** The running costs.

**The Chairperson (Mr Clarke):** Yes, the running costs.

**Mr Doran:** Roughly, Translink spends about £200 million a year; so, £50 million would be roughly a quarter of that.

**The Chairperson (Mr Clarke):** And that was only its cash reserve; that was not its total reserve.

**Mr Doran:** Well, the cash reserve is very close to what I would call the real reserve, which is the difference between current assets and current liabilities. I am not trying to get into a whole technical issue here, but I will say that some of those organisations — and it is not the case for all of the rural transport partnerships — have reserves that are well in excess of the proportions you are talking about.

**The Chairperson (Mr Clarke):** How many of the 11?

**Mr Doran:** I really cannot quote a figure at this point. I am happy to come back to the Committee, but my sense is that it is maybe something like half of those organisations.

**The Chairperson (Mr Clarke):** Why do you punish them all?

**Mr Doran:** I do not believe we have punished any individual organisation.

**The Chairperson (Mr Clarke):** Why does it range from a 25% cut to a 40% cut?

**Mr Doran:** We are obviously dealing with a different scenario. Over a period of time, the level of funding for rural community transport partnerships has been in and around £3-5 million; but, additionally, over the last two years, it is my understanding that it was supplemented first by funding from DARD, in assisting rural communities (ARC) funding, and secondly by funding from Disability Action for specified services. If you go back beyond the last four or five years, the actual level of funding was much lower.

**The Chairperson (Mr Clarke):** I have to go back to 2009 before it was less. In 2009 it was still greater than it is today. I have to go back to 2007 before it was worse.

**Mr Doran:** With respect, that simply reflects the level of funding available to our Department.

**The Chairperson (Mr Clarke):** No, it does not. I will ask one more question, and then I will open the meeting to the Floor, because I do not want to hog this. You are one to talk about baseline figures. The Department is now focusing on baseline figures. Are we agreed, members?

**Mr Byrne:** That is what they said earlier.

**The Chairperson (Mr Clarke):** They say that the community sector started with £2.7 million and that they will cut them to £2.4 million. That is not proportionate to the level of cuts to your Department. We are talking about baseline, not about end of year. Your Minister talks about end of year figures, but the reality is that your resource budget started at £335 million, and was cut to £332 million, which is less than 1%. So, if you want to talk about baseline figures, your Department took a 1% cut, and yet you are cutting the community sector by up to 40%. Why is there a disproportionate cut to the community transport system?

**Mr Doran:** My understanding is that people from the finance department have tried to explain the rationale for the overall budget.

**The Chairperson (Mr Clarke):** Sorry, Ciaran, they can keep on coming to explain. You want to focus on the baseline figures, and I am happy to work on the baseline figures. Your Department has been cut by 1%, but you are going out to our communities, and to mine in particular, south Antrim, and cutting by 40%. Now you tell me today — you are the head of department — why you have slashed the community sector by 40% when your Minister lost only 1% of his budget.

**Mr Doran:** Chair, in relation to public transport —

**The Chairperson (Mr Clarke):** Answer the question, Ciaran.

**Mr Doran:** In relation to the public transport budget for the next financial year, we deal with Translink, its rail and bus subsidy, its capital funding, and we deal with community transport in general terms —

**The Chairperson (Mr Clarke):** What percentage did you take off Translink's baseline?

**Mr Doran:** In relation to bus fuel duty rebate, for example —

**The Chairperson (Mr Clarke):** Stick to the question.

**Mr Doran:** No —

**The Chairperson (Mr Clarke):** Ciaran, I am chairing the meeting. You are the witness; you answer my questions. I am asking you about the percentage cut to Translink from the start of last year to the start of this year: was it 40%?

**Mr Doran:** Its bus subsidy has been reduced from £10 million to £2.5 million.

**The Chairperson (Mr Clarke):** Did you take 40% off its total budget?

**The Committee Clerk:** Bus revenue funding for Translink has been reduced from £10 million to £2.5 million. That is much higher than any reduction to the community transport sector.

**The Chairperson (Mr Clarke):** Who buys the buses for Translink?

**Mr Doran:** In the past, the Department funded the purchase of buses for Translink.

**Mr Lynch:** Can you tell us, Tony, how you forensically examined each of the groups, and then decided where the cuts should fall?

**Mr Doran:** The decision we have taken on funding for the next financial year is to focus on buses and the costs currently being incurred by those organisations, recognising that the circumstances of each rural community transport partnership are quite different in different parts of Northern Ireland. It is

certainly one of our objectives, in a very difficult period, to try and ensure that we maintain a level of service across Northern Ireland.

**The Chairperson (Mr Clarke):** Seán, sorry. Maybe I should draw your attention to Fermanagh and compare it with Lagan Valley.

**Mr Lynch:** Yes, and Fermanagh is a very rural county. Sorry, Chair, but this is what I was going to come on to. I asked a fairly detailed question about administration costs, but you included drivers, giving a skewed figure, and some groups have said to me that the figures have been manipulated in some sense.

**Mr Doran:** We genuinely do not believe that that is the case. We believed that the question was asking for total staff costs, and that was the answer we provided. We are happy to provide further information. Obviously, we would have to engage with the individual organisations to get the amount that is being spent on what you would call admin as opposed to drivers. We believed that we had answered the question asked.

**Mr Lynch:** On extra funding, I know that transport providers have gained from in-house monitoring each year. What priority will you give in the months ahead so that these groups will benefit from any extra finances that may come back to the centre?

**Mr Doran:** We will be happy to bid for additional in-year funding for community transport and, obviously, I will be bidding on behalf of public transport. That will have to be considered in the context of the overall Department. The Committee's support in putting forward such a bid would be extremely helpful, but I cannot give a guarantee that it will be successful. I think it would be unfair on the community transport partnerships to create an expectation that they will be funded, but we are keen to put that forward.

**Mr Lynch:** On behalf of the Committee, we believe that it will be a priority, because what we are getting in areas is a cut from Translink. Last week I was in a community in Rosslea where it is proposed that one of its routes be cut. Those people would become more isolated. So, we are saying that it should be given priority in monitoring rounds. You in particular, Tony, will have that role, as you were saying. You have seen the strength of feeling coming from the areas represented by all of the members around this table.

**Mr Doran:** All I can do is make the genuine comment that we believe that we have been as supportive of community transport as we can be within the constraints of the budgets allocated to us. We have tried to ensure that the Department is also working within the constraints of procurement rules, EU rules and so on, in providing that funding. The figures over the last four or five years show that the level of funding has averaged £3.5 million, and, quite often, that figure included a supplement of something like £0.75 million. This evidences the fact we were fighting on behalf of the community transport partnerships to get additional funding.

Tony is the individual who should be taking credit for this, not me. We have worked very actively with DARD in providing some additional funding, and with Disability Action. This is a genuine comment: we have tried to prioritise funding for the organisations, but we have to work within the budget constraints. There is absolutely no attempt in the Department to penalise individual organisations. We are trying to be completely objective about this. I do not think that it will help anybody in the long term if an individual organisation or a couple of individual organisations get into such dire financial straits that they might have to close. I am sure that all members will agree with that point.

**The Chairperson (Mr Clarke):** Ciaran, you are putting them into that position.

**Mr Doran:** No, with great respect, Chair, if you look at it overall, these organisations are starting this financial year with just under £2 million in reserves. They have a very difficult budgetary position to deal with this year — I am not denying that — but that will provide a buffer against the cuts that are coming in the short term —

**The Chairperson (Mr Clarke):** So, we are really getting down to this now. We are getting back to this thing where you are working against DFP guidance, and you are insisting now and punishing effective community organisations that are doing good governance and keeping their reserves; you are now going to punish them because they are following that guidance.



**Mr Doran:** No. Absolutely not —

**The Chairperson (Mr Clarke):** That is what it sounds like.

**Mr Doran:** Absolutely not. I think I made the point previously that in no way would we suggest that the organisations should not have reserves. The issue is this: if the level of reserves has been increasing over a period of two to three years, then there must be an issue about why that is happening. If the accounts are being drawn up accurately, they should reflect all the liabilities that the organisations have. It is an issue for us. As a Department, we need to be assured that, when we issue the grant, the funding is spent. It is about services on the ground. The sooner we receive the latest set of accounts from the organisations, the better, and we would be happy to engage with them individually about the circumstances. One of the issues here is the fact that the accounts will probably not be available for a few months yet, and that means that we are always dealing with information that is maybe a year out of date. That does not help us, and I am sure that it does not help the organisations.

**The Chairperson (Mr Clarke):** I want to go back to something you said, before I call Stephen, who is next. You are talking about people going out of business. It is only because of the graph that you kindly provided that I can see that, and I am not being parochial because of South Antrim. How do you see an organisation that had £213,000 last year being effective if you take away 40% of its budget?

**Mr Doran:** Do you mean in terms of the number of trips it undertakes?

**The Chairperson (Mr Clarke):** No, I do not think it reduced its trips. Did it?

**Mr Doran:** I do not have the figures for South Antrim. Sorry, which table are you referring to?

**The Chairperson (Mr Clarke):** This nice big one that you sent us.

**Mr Doran:** Yes, the big one that I sent. You are referring to South Antrim.

**The Chairperson (Mr Clarke):** You took the organisation from £213,000 down to £128,000. Has it reduced its number of trips?

**Mr Doran:** We have not agreed a number of trips with South Antrim —

**The Chairperson (Mr Clarke):** So, what did you base your letter of offer on?

**Mr Doran:** Essentially, the letter of offer is based on what we can provide to support the level of costs that are being provided. It was suggested in the previous session that we should provide funding that is based on either a set number of trips or a cost per trip. We have an issue with that, although we can see why people would suggest it. Our sense of it is that we need to be careful about assuming that a trip by one organisation is equivalent to one by another organisation; for example, the mileage for that individual trip.

**The Chairperson (Mr Clarke):** I am sure that you will have seen the question for written answer that Seán Lynch asked; for the record, it is AQW 43362/11-15. When I look at that, I see that it gives you the average mileage.

**Mr Doran:** Yes, and there are big differences between those organisations in average mileage, as I understand it.

**The Chairperson (Mr Clarke):** Well, one organisation did 12.4 miles at £10 a trip and another organisation did 13.3 miles at £32 a trip, so there is a big difference in the cost. I do not think there was a big difference in the mileage. It was 0.9 of a mile, but it was almost three times the price.

**Mr Doran:** It depends on what the trip is for.

**The Chairperson (Mr Clarke):** No. Hold on a second. Do not contradict yourself, Ciaran.

**Mr Doran:** I am not.

**The Chairperson (Mr Clarke):** What difference does it make what the trip is for? You either have the distance of the trip or you have not, and you are telling me that there is a big difference in them. There is a big difference in the cost in the first one I looked at, but there is only 0.9 of a mile difference in length. How can you argue that that would not have been a good way to calculate it?

**Mr Doran:** We do not base our grant on the number of trips or the mileage per trip, and —

**The Chairperson (Mr Clarke):** What do you base it on?

**Mr Doran:** It is based on the analysis of costs that the organisations are incurring.

**The Chairperson (Mr Clarke):** Does the cost per trip not come in to that?

**Mr Doran:** The number of trips that are being undertaken is obviously a factor, but because there are so many differences between the organisations — there are massive differences between them — some of them, if I could summarise it, seem to provide shorter trips for larger numbers of people, and some seem to provide lower levels of trips for individuals for longer distances.

**The Chairperson (Mr Clarke):** Are you telling me that you are on for more people? Are you looking for mini-Translinks all around the rural areas?

**Mr Doran:** Our position on this is that the rural transport partnerships are better placed than we are to assess need. We need to be careful that we do not end up in the situation of telling them what services they should provide for their members.

**The Chairperson (Mr Clarke):** So, we will just close them down.

**Mr Doran:** No, absolutely not. As I said, we are supportive of the organisations, but we also need to be careful of entering into a funding regime that could be deemed a contract. In other words, if you said to an organisation, "You provide a certain number of trips for us, and we will give you x amount of money", that could be deemed a contract. This is a grant that we are providing, and we need to be careful about that.

**The Chairperson (Mr Clarke):** Am I hearing this right, Ciaran? You do not want to know how many trips they are doing or their cost per trip. You do not want to know anything; you just want to give them money.

**Mr Doran:** No.

**The Chairperson (Mr Clarke):** You are saying that if you have all that detail, you are entering into a contract.

**Mr Doran:** That is not what I said, Chair, with respect.

**The Chairperson (Mr Clarke):** You did say that.

**Mr Doran:** No, it is not, with respect, Chair. I said that the grant that we provide is based on the cost. It is not based on —

**The Chairperson (Mr Clarke):** The cost of what?

**Mr Doran:** The costs that are provided to us through what the organisation believes it needs to provide a level of service. We do not specify a set level of trips, and we do not specify a set mileage per trip for those organisations. We work on the assumption that they are better placed than we are to assess need in local areas.

**The Chairperson (Mr Clarke):** Before I call Stephen Moutray, I will ask one last question: have they ever suggested being funded according to cost per trip?

**Mr Doran:** That has been raised in the last while, but I cannot comment on whether it has been raised on a consistent basis over a period of time.

**The Chairperson (Mr Clarke):** OK. I will come back to that.

**Mr Moutray:** I was contacted yesterday afternoon by Mrs Frizzell, who is an elderly lady who lives in a rural area outside Portadown. Her daughter Janet is in her mid-40s and has special needs. She travels once a week on a Thursday to Lurgan Tennis Club for some recreation. She has been told that that service will no longer exist. What do I say to Mrs Frizzell, and, more importantly, what do folk like you say? We are hitting the most vulnerable in our society here. As has been referred to, this is not like Translink, which has a union to fight with it. These people are vulnerable, and the service that they are relying on is vulnerable. Living out in the country near Annaghmore, these people have no other option for getting their daughter to her class. Her daughter has benefited and travelled independently to it for some considerable time. Going forward, what can be done for people like her? Is there potential, realistically, for a top-up to this figure of £2.4 million in the incoming year? It is going to be too late for her, because she has been told that her service finishes next week. Have you folks ever gone out on a rural transport bus to talk to the people and to the drivers who volunteer to get a grasp of what happens and of what it means to a community?

**Mr McConnell:** I have been out, and I have engaged with the parties involved and with some of the members. We will provide the grant for the provision of the trips, and the decision on who gets the trip and to where is for the partnership. The situation we are in now is that there has been a reduction in the funding available to them. They are now in the position of having to make really difficult decisions about who can and cannot get the journeys. From my point of view, that is regrettable. I wish that more money was available, but the simple situation is that it is not. When it comes to funding going forward, we cannot give any guarantees that that will be the case.

**Mr Moutray:** So, is there nothing that you have to say to this lady at all except "That is it. Too bad"? Her daughter's social and mental well-being is at stake.

**The Chairperson (Mr Clarke):** And hundreds of others.

**Mr Moutray:** Yes. This is one case, Chairperson.

**Mr Doran:** As officials, all we can say is that we are completely sympathetic to the point that you are making.

**The Chairperson (Mr Clarke):** But you just emptied the tin

**Mr Doran:** No. The organisation concerned has to make the decision based on relative priorities.

**Mr Moutray:** You are forcing them to make that decision.

**The Chairperson (Mr Clarke):** It is based on the hand that you have dealt them, Ciaran. What I am hearing today — were you not listening? — is that some of these folks made you an offer to reduce the amount of money that they take and to increase the number of trips. They are saying — I will use the term "honest brokers" again — "Give us less, and we will give you more" but you are saying, "No, we are just going to give you less, and you can do less".

**Mr Doran:** Chairperson, with great respect, if you work this through, you see that we are getting into the territory of people making decisions about what is more important: a trip in a particular area for a set level —

**The Chairperson (Mr Clarke):** That is right, and that is how you made the decision.

**Mr Doran:** No, it is not. It is absolutely not.

**The Chairperson (Mr Clarke):** We have to find x millions of pounds for our Minister. Who will we rob? We will go back out to the rural communities, and we will rob the rural towns and villages. We will hit the vulnerable. We will take the street lights out, and we will not fix the roads in rural areas — I mean specific rural areas. What else will we go for? We will go for community transport, because it is

a soft touch. The people out in the country do not matter. Let us look after Belfast and our principal towns and, sure, forget about everybody in the rural towns and villages across Northern Ireland. That is what you have done. In your own words, you, Ciaran — you are the head of that department — made the cut. You answer Stephen now so that he can tell his constituent your rationale for her losing that service and so that each of us can go back to our community. I am getting people in South Antrim saying to me that they are effectively losing trips. You tell me what I am going to tell people in our area, because you are the man who cut the budget.

**Mr Doran:** With respect, Chairperson, I am not the man who cuts budgets.

**The Chairperson (Mr Clarke):** Am I talking to the wrong man? Are you the monkey?

**Mr Doran:** We have to work to the budgets that are provided to us.

**The Chairperson (Mr Clarke):** There is a 1% cut.

**Mr Doran:** Ultimately, the decision is made at the Executive and then the Department decides on priorities.

I think it would be —

**The Chairperson (Mr Clarke):** Where do you fit in to that, Ciaran?

**Mr Doran:** I fit into it, in that I deal with public transport and community transport. We will agree how the budgets that I am provided with are allocated. I made the point previously that, if you look at the budget for bus subsidy in general, which generally has gone to Translink and private bus operators, you see that it will disappear next year. That is not the case for community transport. I appreciate that it is a very difficult situation, but, in my view, it would be very unfair to say that we have in some way picked on the community transport sector.

**The Chairperson (Mr Clarke):** It certainly seems that way. Just answer this, Ciaran: who in your Department decided to take the 30% off the community transport sector?

**Mr Doran:** Do you mean from the rural community transport partnerships?

**The Chairperson (Mr Clarke):** Yes.

**Mr Doran:** The decision was made by the finance department or, ultimately —

**The Chairperson (Mr Clarke):** The finance department of what?

**Mr Doran:** Of the Department for Regional Development. It allocated a budget to us —

**The Chairperson (Mr Clarke):** And who put the proposal to it to cut that funding by 30%?

**Mr Doran:** We proposed that the funding for community transport stay at the same level as it was last year. That was not possible —

**The Chairperson (Mr Clarke):** You can get me the communication where you did that. You can send me a copy of that.

**Mr Doran:** I can send you any communication that we have provided on bids, yes.

**The Chairperson (Mr Clarke):** I would be very keen to see that.

Stephen, are you finished?

**Mr Moutray:** Yes. That is OK. Thanks.

**Mr McAleer:** Just going back to the question that I asked of the community transport people, in the light of the review of the Translink routes, many of which are in isolated rural areas, is it not unreasonable to cut the budget for community transport, given that it may well result in more pressure on them?

**Mr Doran:** I take the point that, because Translink's bus subsidy is being reduced, that could have an impact, depending on the outcome of the consultation on rural services, and it could put added pressure on rural bus services. We accept that point. However, it comes back to the basic point that we have to work within the budget constraints that we are asked to at this point. If additional funding can be provided to the Department for Regional Development for that sector, that would obviously help the situation. That is all I can really say.

**Mr McAleer:** Your decisions should obviously be rural proofed. What mechanism did you use to rural proof these decisions?

**Mr Doran:** The point I will make is that we work actively with DARD on the assisted rural transport scheme. It provides direct funding for that, which goes through our Department directly to the rural community transport partnerships. Even on these lower figures, that funding is targeted at the provision of services in rural areas and supplemented by funding from DARD itself. That is all I can say.

**Mr McAleer:** What engagements have you had with rural communities to rural proof the impact of these cuts on local areas?

**Mr Doran:** What do you mean? In terms of —

**Mr McAleer:** Have you engaged with local community organisations or rural stakeholders?

**Mr Doran:** The Department, in its initial budget proposal, which I was not personally responsible for, signalled that there was likely to be an impact on community transport. That was subject to a public consultation prior to Christmas.

**Mr McAleer:** So there was a public consultation.

**Mr Doran:** Comments were made that this would have a negative impact on rural areas, but within the constraints that the Department had to work to, decisions had to be made about how to allocate the budgets. That is all I can say.

**The Chairperson (Mr Clarke):** Sorry, if you do not mind, Declan. Is there not an obligation on you to rural proof your decisions?

**Mr Doran:** I would be happy to go back and look at that, but the point I am trying to make, Chair, is that we actively work with DARD itself, which provides funding to the community transport partnerships and uses our Department. In other words, it provides some supplementary income.

**The Chairperson (Mr Clarke):** That may be the case, but, overall, you are responsible for the funding of community transport. I think Declan wants to hear whether you rural proofed your decisions, the stage you did that and whether you can furnish us with a copy of how you did it, given that there is an obligation on you to do so.

**Mr Doran:** I can refer to the budget consultation that the Department undertook before Christmas.

**The Chairperson (Mr Clarke):** We are talking about rural proofing.

**Mr Doran:** I am not an expert in that area, but I am certainly happy to look at it.

**The Chairperson (Mr Clarke):** You should be.

**Mr McAleer:** Chair, there has been a commitment since 2002 to rural proof decisions.

**Mr Doran:** The budget itself was subjected to an equality impact assessment.

**The Chairperson (Mr Clarke):** Not the consequence of each of the cuts. You have picked on this sector again, and there is a consequence to that for rural proofing. We would like to see the evidence of how that was done and the outcomes from that, because there is an obligation on you to do that, Ciaran. If you are telling me that you are the head of transport and did not know that, I have to say that that is disappointing.

**Mr Doran:** Chair, I am quite happy to look at the point you are raising. We will try to put it in the context of the budgets that were decided within the Department.

**The Chairperson (Mr Clarke):** Put it in whatever context you like as long as we can see that it was rural proofed and the evidence of that.

Sorry, Declan.

**Mr McAleer:** That was it, Chair.

**Mr Dallat:** I have had loads of time to sit here listening to all this. After 15 years or whatever it is, I have the most wonderful insight into the permanent government — the faceless bureaucrats who, behind closed doors on some lofty finance committee, made a decision fundamentally affecting the lives of the most vulnerable. That decision was then passed down to you, Ciaran, as head of the public transport services division, if I got that right.

**Mr Doran:** That is right.

**Mr Dallat:** You endorsed it. Where was the Minister in this whole thing? Was he sitting on his executive chair, with the coat over the back of it, the sleeves rolled up, agonising over the impact this would have on the people whom we are supposed to represent but who were clearly told nothing about it? Tell us all about that, because I want to hear.

**Mr Doran:** All I can say is that, obviously, the Minister was aware of the budget settlement for the Department and of the reductions that would apply across all parts of it. I think that it is well documented that there has been a significant reduction across a wide range of areas in the Department for Regional Development.

**Mr Dallat:** Ciaran, sorry for cutting across you. Did he give you the type of dressing-down that you are getting here for the proposals that you made?

**Mr Doran:** I am getting used to dressing-downs, but I cannot remember a dressing-down from the Minister on this issue. That is all I can say.

**Mr Dallat:** So, you do not know. There were no wild scenes of emotion or anything else.

**Mr Doran:** What I can say is that we in the Department clearly signalled the sensitivity of this area and the importance of the services that were being provided. I am not trying to defend anyone in particular, but, ultimately, you have to work within the constraints of an overall budget. Very difficult decisions have to be made across a whole range of areas.

**Mr Dallat:** A long time ago, you told us that you would not receive different partnerships' accounts for several months. On 1 April — April Fools' Day — you sent out a letter. You clearly did not have the data that you would have needed to make critical decisions that would impact fundamentally on people who have no voice.

**Mr Doran:** The accounts that we are talking about are for the last financial year. As I understand it, they are not usually produced until the late summer.

**Mr Dallat:** Could I ask about this —

**Mr Doran:** The allocation letter that you are referring to was issued as soon as we could have issued it. I believe that that helps the organisation concerned. I know that you are dealing with a difficult

situation, but giving definitive indications of a budget level as soon as possible allows those organisations to plan better as we go forward.

**Mr Dallat:** Ciaran, you are in a very powerful position to influence people's lives. Are you telling me that, in this day and age of high-tech computers and all the rest of it, there is no method for you to get, for example, monthly monitoring reports from the partnerships?

**Mr Doran:** We receive information from the partnerships. There is an issue about the type of information that we are receiving and making sure that we get the really important information. That includes information about the individuals who are actively using the services, where they live, what, in general terms, the trips are being provided for, the distance of those trips, the coverage of the organisations across Northern Ireland, the details of their costs as referred to in their accounts and the levels of reserves at a point in time. We have to work within the —

**The Chairperson (Mr Clarke):** Ciaran, can I stop you there again? This is normal form for departmental officials who come to the Committee, and you are misleading us again. In an earlier response to me, you said that that information was not important, and you are now telling John that you need it. Which is it?

**Mr Doran:** Which information?

**The Chairperson (Mr Clarke):** You said that you do not use all that information. You are starting to talk about costs per trips again and the mileage. You need it now, but you did not need it 10 minutes ago.

**Mr Doran:** Chair, you are saying that I am misleading the Committee. The point I am —

**The Chairperson (Mr Clarke):** You are misleading the Committee.

**Mr Doran:** I do not believe that that is the case. We receive information from the community transport partnerships on the overall level of trips. I think that we could maybe improve the information behind the statistics on the individuals making trips and so on, including exactly where they live and the purpose of the trip. That is the only point that I am making. We are not, in any way, questioning —

**The Chairperson (Mr Clarke):** So, you are going to add more bureaucracy to it. Is that what you are saying?

**Mr Doran:** It is absolutely not the case that we want more bureaucracy.

**The Chairperson (Mr Clarke):** If you want to know what somebody got a bus for and the purpose of the trip, you will probably want to know their age, the colour of their hair and everything else.

At the end of the day, community transport provides a service. The organisations have told you the number of trips that it made, the average number of miles per trip and the cost per trip. That is sufficient. If you add more to that, you will probably make the cost of the administration more than the cost per trip.

**Mr Doran:** Absolutely not. We would never try to do it in such a way that would add to the admin burden on the organisations. I would have thought —

**The Chairperson (Mr Clarke):** There is no other way around it.

**Mr Doran:** We are dealing with taxpayers' funding, so it is important to understand exactly the type of trips and so on that are being provided. I think that that is very important in making sure that the allocation of funding is distributed as fairly as possible in the future. I cannot see any difficulty with that.

**Mr Dallat:** Finally, Ciaran, and I mean this with all respect to you, do you now experience a sense of urgency that compels you to go back from this motley finance committee, maybe grab the Minister and his personal adviser by the scruff of the neck, get them off the canvass trail and tell them there is a crisis in community transport?

**Mr Doran:** Genuinely, we are happy to go back from the Committee and to re-emphasise the point that we made that this is going to have a significant impact on services on the ground. Given the budgetary constraints that all Departments are working under, I cannot give a guarantee that it will necessarily change in the short term, but I am happy to give a commitment that we will argue the case strongly.

**Mr Dallat:** It was worthwhile having you here this morning to experience the strength of feeling about what has happened.

**Mr Doran:** It is always worth hearing the Committee's views on these issues.

**Mr Dallat:** Time will tell.

**The Chairperson (Mr Clarke):** We could book you in for a few more slots, Ciaran.

**Mr McAleer:** Chair, thank you for indulgence in letting me back in. We have heard at length about the budgetary constraints. I appreciate that. The Department is dealing with a budget of £332 million. Some 35% of people in the North of Ireland live in rural areas, yet 1% of that budget is allocated to community transport. Is that not completely disproportionate?

**Mr Doran:** When you say 1%, what do you mean?

**Mr McAleer:** Last year, there was £3.6 million, and this year we are looking at £2.4 million for community transport. You have a budget of £332 million. That is —

**The Chairperson (Mr Clarke):** That is less than 1%.

**Mr McAleer:** Yes, it is less than 1%, but 35% of people in the North of Ireland live in rural areas.

**Mr Doran:** I am sure that even the community transport partnerships would recognise that there is expenditure in the Department for Regional Development that is essentially providing services in specific rural areas but that is not referred to in that £3 million. The Ulsterbus services, for example, that Translink provide are essentially rural bus services. That is included in that figure. Roads Service will spend significant amounts of money on roads maintenance and so on, which can very often, but not always, be targeted in rural areas. I cannot put a figure on that, but I do not think that it is fair to say that the only Department for Regional Development funding that goes to rural areas is that that goes to rural community transport.

**Mr McAleer:** The point that I am trying to make is that, in the broader scheme of the Department's budget, we are talking about a very, very small amount of money. You are proposing to penny-pinch further from that very small amount. That will have an impact on people who live in isolated communities.

**Mr Doran:** I am in no way attempting to minimise the impact of what is happening with community transport this year. It is a difficult situation, but I feel that it is unfair to suggest that, in some way, the community transport sector has been picked on. The reality is that the public transport budget for this year, as opposed to last year, has been cut much more significantly for Translink and even for private bus operators than it has for community transport. I am not trying to minimise the impact, but I think that we would argue that we have tried as far as we can within a budget to minimise the impact. That is my position.

**The Chairperson (Mr Clarke):** Disability Action is a worthy service that deserves money as well. It works in an urban area, but it got cut by 21%. Why is that?

**Mr Doran:** Are you suggesting that we should cut services to Disability Action by exactly the same proportion?

**The Chairperson (Mr Clarke):** Sorry, did you hear me say that?

**Mr Doran:** No.



**The Chairperson (Mr Clarke):** I am not suggesting that. Do not put words in my mouth. I am saying that you brought rural community from 25% to 40%, averaging 33% from the rural areas. You have cut 21% off Disability Action. In case you are not clear, you are, again, disproportionately hitting the rural areas. I am not saying 21% is right. You look puzzled.

**Mr Doran:** Yes, because —

**The Chairperson (Mr Clarke):** Let me explain it again, because maths is one of my stronger subjects: 33% is more than 21%. The 21% is in an urban area, and the 33% is in a rural area. For slow learners, that would suggest that those in the rural areas are getting hit harder than those in urban areas. Give me the justification for it, Ciaran.

**Mr Doran:** Disability Action provides services in towns across Northern Ireland with a population of, I think, greater than 10,000. For example, there are a number of towns, even though they are towns, that I am sure that people consider to be largely rural in nature, so the services that Disability Action is providing are being provided right across Northern Ireland. In fact —

**The Chairperson (Mr Clarke):** Let me stop you there a second. Do you have this graph handy?

**Mr Doran:** I have, yes.

**The Chairperson (Mr Clarke):** Disability Action is categorised under "urban". I am not indicating that you should take any more from it. I suggest that it is doing a very worthy service and that you should have hit it less. Your Minister did not lose 21%; he lost 1%. You have hit Disability Action in urban areas by 21%, yet you have averaged the cut at 33% in rural areas. This graph of yours demonstrates that you have hit rural areas harder than you have hit urban areas. Do not try, Ciaran, to paint me into a corner so that I will pick on Disability Action. You are the ones who are hitting it with a 21% cut. The point that I am making is, and I think that all the other members are agreeing with me, that you have been particularly severe and savage — whatever you want to call it — on the rural constituencies. As has been said before, those make up a large degree of the population of Northern Ireland. Your Minister lost 1%, yet you have hit rural community transport by 33%. I will leave it at that and bring in David McNarry.

**Mr McNarry:** Ciaran, I was wondering whether you —

**The Chairperson (Mr Clarke):** Joe was actually next. Sorry.

**Mr Byrne:** Easilink covers community transport services in the Derry, Strabane and Omagh districts, and you have cut its allocation from £521,000 to £334,000, which is a 36% cut. Do you regard Easilink as a cowboy operation?

**Mr Doran:** Sorry, I genuinely did not hear the question.

**Mr Byrne:** Do you regard Easilink as an inefficient, cost-heavy operation?

**Mr Doran:** No, I would not make that judgement at all.

**Mr Byrne:** What objective criteria did you use to cut its allocation from £521,000 to £334,000?

**Mr Doran:** We have said previously, Mr Byrne, that we tried to take account of the costs of individual organisations and, I suppose, their overall financial position and tried to ensure, in a difficult position, that we maintain a network of services to all community transport partnerships across Northern Ireland.

**Mr Byrne:** Do you regard Easilink as an efficient or an inefficient organisation?

**Mr Doran:** I am not sure that I am in a position to make that judgement. It depends on what you are comparing it against.

**Mr Byrne:** Translink used to have a Busy Bee bus service. Does it still have it?

**Mr Doran:** I genuinely do not know. I am not aware that it does.

**Mr Byrne:** At one time, it was hailed as being a great local-type service, but it ceased. Along came community transport to provide something more flexible and more relevant to rural communities. The suspicion is that you guys are out to kill off community transport partnerships.

**Mr Doran:** Kill off the community transport partnerships?

**Mr Byrne:** Yes.

**Mr Doran:** If you look at the levels of funding that have been provided to the community transport partnerships over a consistent period, including over the past two to three years, I find it hard to understand from where you draw that conclusion. I make the point again that funding has been around £3.5 million for a number of years. That was significantly increased from the period at the end of the previous decade. In the past couple of years, that funding has been supplemented with funding from DARD. Tony is involved with that. There is some additional funding that is essentially provided via Disability Action to the community transport partnerships. If you take all those together, I argue that it is very difficult to draw the conclusion that we are actively trying to close the community transport partnerships.

**Mr Byrne:** This is my final comment, Chairman. You have referred a number of times to money from DARD and money from Disability Action. It seems to me that you are cutting your departmental subvention to the transport partnerships in the hope that money will come from those other two sources.

**Mr Doran:** Obviously, DARD has its own, specific reasons for providing funding in support of rural areas generally. It has worked with us to provide that funding. The grant that is provided to Disability Action comes from our Department. There is essentially a form of contract between Disability Action and community transport partnerships, but we provide the funding to Disability Action. Therefore, it would be hard to argue that we are penalising them.

**The Chairperson (Mr Clarke):** I want to revisit one area, just to put you right again, Ciaran. You were looking for additional information from the community transport people. I am reliably informed that the information that you were talking about is already supplied to you on a monthly basis. Is it you who look after that, Tony?

**Mr McConnell:** Yes, it is me. What we receive, Chair, is statistical information on the number of trips provided, and that comes in through monthly returns. We are trying to get a sense from the numbers of who is using the services and for what, to see whether future funding is pointing in the right direction and being used.

**The Chairperson (Mr Clarke):** What is the relevance of that, Tony?

**Mr McConnell:** It is really to try to get —

**The Chairperson (Mr Clarke):** For example, if somebody wants to get to a doctor's appointment or to a social club, you will decide that one is worthy and another is not.

**Mr McConnell:** No, it would not be for us to make that decision.

**The Chairperson (Mr Clarke):** What is the purpose, then?

**Mr McConnell:** It is to help the partnerships identify whether the funding is going to the most vulnerable people whom it provides services to.

**The Chairperson (Mr Clarke):** Are they not vulnerable by definition because they live in an isolated area?

**Mr McConnell:** That could be one definition, but, beyond that —

**The Chairperson (Mr Clarke):** Is that not the definition? Is not the purpose of community transport to get to those vulnerable and isolated areas?

**Mr McConnell:** The objective is to reduce social isolation, yes.

**The Chairperson (Mr Clarke):** What is the purpose, then, of trying to categorise the purpose of the trip?

**Mr McConnell:** It is to assist the partnerships to ensure, given the reduced level, that the funding goes to the most needy.

**The Chairperson (Mr Clarke):** You are going to make a judgement based on what people are doing.

**Mr McConnell:** No, we are going to help the partnerships —

**The Chairperson (Mr Clarke):** How you are going to help them? Tell me how you will help them.

**Mr McConnell:** We will sit down with them and analyse to where and to whom the trips are being provided. We heard in the previous evidence session that some partnerships have an approach to providing many-to-one services. I am not sure that all the partnerships provide that level of service, so what we will try to do —

**The Chairperson (Mr Clarke):** I picked up in the past that you had tried to merge some of the community transport partnerships. Is that the purpose?

**Mr McConnell:** No, the purpose of the merger was to try to reduce back-office costs and to make sure that the services are provided in the best possible way.

**The Chairperson (Mr Clarke):** It was suggested that Lagan Valley Rural Transport be merged with South Antrim Community Transport. Is that right?

**Mr McConnell:** Yes.

**The Chairperson (Mr Clarke):** You were proposing to merge an organisation that was running at £32 a trip with one that was running at £15 a trip? Is that right?

**Mr McConnell:** Yes.

**The Chairperson (Mr Clarke):** What do you think the outcome of that would have been?

**Mr McConnell:** We hoped, Chairman, that the best practices of one organisation would have spread to the other and that the costs would have been reduced.

**The Chairperson (Mr Clarke):** That is interesting language: "best practices of one". However —

**Mr Dallat:** Chairperson —

**The Chairperson (Mr Clarke):** Sorry, two seconds, John. He is talking about best practices. When the Department made the savage cuts, it took 40% off the one with the best practices and 36% off the one that did not have the best practices. Perhaps you can give me the rationale for that, Tony.

**Mr McConnell:** Basically, if there is best practice out there, we want to ensure that it is applied by all the partnerships, so as to reduce the costs.

**The Chairperson (Mr Clarke):** I get that, but I am talking about the suggestion to merge in the past. I am being parochial, and I apologise for that. However, there was a rumour that the more efficient South Antrim Community Transport would be merged with the less efficient Lagan Valley Rural Transport. However, in this Budget round, you rewarded Lagan Valley Rural Transport with more finance than the more efficient group. Give me the justification for that.

Furthermore, on the back of today, Ciaran, can you send us the very small piece of paper on which you did all your calculations to explain how you arrived at the figures? I want to see what information that you had — I am sure that the Committee supports me — against each of the partnerships to determine how you arrived at the cut.

You can answer the other question now, Tony.

**Mr McConnell:** Whether they wanted to proceed with a merger was a decision for South Antrim Community Transport and Lagan Valley Rural Transport to make. They decided —

**The Chairperson (Mr Clarke):** No, it was not their suggestion to do it. Was the merger not being pushed by the Department in the first place?

**Mr McConnell:** The decision to merge was not the Department's decision. It was a decision for the organisations. Those organisations are companies in their own right. We provide funding —

**The Chairperson (Mr Clarke):** Who thought up the suggestion to merge the two partnerships?

**Mr McConnell:** We looked at —

**The Chairperson (Mr Clarke):** You did?

**Mr McConnell:** Yes. We suggested that it should be looked at by the organisations.

**The Chairperson (Mr Clarke):** Therefore, you dictated to them what they, as private organisations, should do.

**Mr McConnell:** No. We suggested —

**The Chairperson (Mr Clarke):** And then you rewarded the one that was not working as efficiently as the other one with more finances this year. The other one was, in your words, more cost-effective.

**Mr McConnell:** We suggested that the organisations work together to see whether they could merge. They did that by going through a due diligence exercise but decided not to merge. The decision was theirs.

**The Chairperson (Mr Clarke):** I appreciate that. I think that it was probably the right decision, but the bit that I cannot understand is why you rewarded the one that has a higher operating cost by giving it less of a savage cut than you did the other.

**Mr Dallat:** What astonishes me about this whole thing is that these decisions have been made. To use your analogy about the doctor, it seems as though the prescription was written before any question was asked about what the needs of the patient — in this case, the transport networks — were. To use a more serious analogy, you executed the prisoner before you had the trial.

**The Chairperson (Mr Clarke):** It seems to be the case.

David, you are next.

**Mr McNarry:** Thanks. Ciaran, I am still left wondering whether you are missing your Minister and his special adviser while they are bouncing around the country electioneering.

You told us that you personally proposed that community transport funding be kept as it is, with effectively no cut. Before that, however, you seemed to be accusing the organisations of salting money away to boost their reserves. Can you tell me now how you will stand over the point that you laboured this morning? You said that you need to be sure that funding is spent. Are you saying that you wanted funding to be kept as it was, as you said in your proposal, even though you were not sure that the funding was being spent, or properly spent?

**Mr Doran:** Look —

**Mr McNarry:** "Look" nothing — just tell me.

**Mr Doran:** I am not accusing the community transport partnerships of anything. I am simply pointing out the fact that, as far as I understand it, our analysis of their accounts is that their levels of reserves at the end of 2012-13 was £1.2 million. Those figures were provided to the Committee. At the end of not the last financial year but the previous one — 2013-14 — the levels were just below £2 million. That is something that the Department has to consider.

**Mr McNarry:** I fully understand that. OK?

**Mr Doran:** Yes.

**Mr McNarry:** You made a point. What I am saying to you is that you have uncertainty. You clearly have not found out about the reserves yet.

**Mr Doran:** Yes.

**Mr McNarry:** On the basis of what you do not know but that you have very serious reservations about, you went to your financial people and said, "I want community transport funding as it was, with no reduction". How could you do that?

**Mr Doran:** On the basis of a general assessment that the services that have been provided are of benefit to the objectives that I am responsible for. It is normal practice for somebody who is covering a particular area — I cover public and community transport — to bid or make arguments on behalf of that sector, just in the same way as somebody working in Roads Service or Transport NI —

**Mr McNarry:** Did your finance department know that you had serious reservations regarding the reserves?

**Mr Doran:** We have not discussed the level of reserves in total or in individual organisations —

**Mr McNarry:** You have made a big case here about those reserves. You made a case, and I am quoting you:

*"we need to be assured that ... the funding is spent."*

**Mr Doran:** Absolutely. We have to.

**Mr McNarry:** Are you assured?

**Mr Doran:** The community transport partnerships receive income from us. They receive it via our Department from DARD, and they receive funding from other sources. We do not necessarily know the ins and outs of all its income sources.

**Mr McNarry:** According to you, you have suspicions.

**Mr Doran:** I am not in any way —

**Mr McNarry:** You have suspicions that — my words were "salting money away" — they are holding back money in reserve from the funding that they have received. That is a very serious allegation.

**Mr Doran:** No. I do not want to overstate the point. Obviously, that has to be considered. They are all individual organisations, and they have to try to maintain a degree of stability in their organisation —

**Mr McNarry:** Well, you have tarnished every one of them. If you are dealing with specifics, you have tarnished every one of them today.

**Mr Doran:** No, absolutely not. I have said that there are differences — significant differences — between individual community transport partnerships in the proportion of reserves that are held

against the total income. I am not tarring any individual organisation. I am saying that that is the reality.

**Mr McNarry:** I appreciate that you obviously have a very high opinion of the service provided by community transport; otherwise, you would not have said to your finance people, "Keep funding as it is", and I appreciate that. Can you outline for me the value that you put on the services provided by community transport?

**Mr Doran:** I have been dealing with the community transport sector for a couple of years. I do not have the level of experience that Tony has in the area. I have not had a chance to get out to individual organisations as much as I would have liked to, but my sense, from what I do know about the individual organisations, is that they provide a very valuable service —

**Mr McNarry:** I understand. Perhaps I should not have asked you personally that particular question. However, can you tell me the value that the Department places on the services provided by community transport?

**Mr Doran:** I think that there is a general sense in the Department — I cannot speak on behalf of the Minister — that it sees it as a valuable service.

**Mr McNarry:** Value for money?

**Mr Doran:** I really would prefer not to get into discussion about who is efficient and who is not efficient. That can be quite a subjective area in the sector.

**Mr McNarry:** Do doubts about value for money, which you are not prepared to get into, have any bearing on how the cuts were prepared and reasoned on?

**Mr Doran:** No, absolutely not. We do not provide a grant to the organisations and say that they must provide this level of trip or that number of trips for the next 12 months. That is not what we do. If we did do that, unfortunately, that could be deemed to be —

**Mr McNarry:** I know that it is a contract. I was not asking you that. I was just asking whether the Department has less value in its mind of the service provided by community transport this year than it did last year, hence the cuts?

**Mr Doran:** No. From my individual point of view —

**Mr McNarry:** Therefore, based on value, there is no reason for the cuts to have been made.

**Mr Doran:** Other than the fact that the Department has to live within an overall budget, as determined. Essentially, that is what is driving this. It is not meant to be some sort of judgement on the value of the service provided.

**Mr McNarry:** The Department is in such a bad way that it is prepared to devalue the service provided to the community. It is prepared to turn around to the people who value that service and the people who provide it and say, "You are not worth funding. You are not worth us sticking our neck out for".

Ciaran, you and Tony have probably guessed that the Committee is pretty angry and — I will not say the other word — blooming well agitated about this. I have never before seen this Committee so agitated about something. Here is a service that is valued. Here is a service that you said was worthwhile. You made a proposal to your finance people not to cut the funding, yet those services have been savagely cut, and there is no reason given other than they are a victim.

**Mr Doran:** I have really nothing more to add to what I said previously. We do value the services, but we have to deal with the financial realities that we have to work within. We are keen to continue to engage with the community transport partnerships on how the sector can become more efficient, within various constraints, to try to maintain the services as far as is possible. We will actively be trying to do that.

**Mr McNarry:** I will take you on to another track. I was very interested to hear in the presentation from the community services people their belief that they could fill gaps created by the decision of the Department to neglect their services in rural areas. Will you enter into discussions with them to consider that aspect, which could be added to help the rural people?

**Mr Doran:** I personally have no issue at all with doing that. I have to make two points. First, to my knowledge, no additional money is available elsewhere in the Department to pay for some additional services at this point.

**Mr McNarry:** That is not what I am asking.

**Mr Doran:** I appreciate the point, but I needed to make that point. The other point is that — I am not trying to be negative — we need to be conscious of the licensing arrangements here and work within those constraints.

**Mr McNarry:** All that I am asking you is to consider taking that forward to your Department. It seemed to me that a potentially valuable proposal was made in front of the Committee. It was an offer, and we do not often get offers. People have said, "We are professional enough, from our experience, to fill a gap". I think that that is worthwhile, and all that I am asking is whether you think that you could take forward.

**Mr Doran:** Yes, we are happy to look at that proposal going forward.

**Mr McNarry:** Thank you.

**Mr Ó hOisín:** I do not know whether we are delivering a metaphorical kicking today, but a fundamental question has to be asked. Declan touched on it earlier. Is the Minister or the Department aware of the definition and delivery of "rural proofing"? In my book, rural proofing is the assessment of the efficiency and effectiveness and the delivery of a product or service to isolated rural communities that suffer, particularly in this case, from transport poverty. We have the experts here, and they are the community transport people. Ciaran, you said earlier that rural transport partnerships are "better placed than we are" — meaning the Department — to know what to provide. Those are your exact words from earlier.

**Mr Doran:** Yes.

**Mr Ó hOisín:** We have to identify savings. Billy Moore identified, when his organisation put forward its savings initially, a 9% cut, and I think that Anita Flanagan said 21%. When they identified those potential savings, they were hit with a double whammy. I want to understand how you deliver, what your understanding is and what the effect of this is, because it is critical to the whole idea of what rural proofing is. Loads of us here live in the countryside and in rural communities, and we are being told on the doorsteps every night now about the lack of services, the withdrawal of the scheduled services, and whatever else. If the community transport sector cannot pick up the slack on that and deliver on it, it will mean real isolation for a lot of people, even along relatively main roads. I was in Magilligan on Saturday, and you are on a main road there between Limavady and Coleraine. The transport along that road is diabolical. It is beside the railway station, too, but that is another story. That is the reality.

I think that Ciaran said that he is going to come back to us with the Department's assessment of rural proofing. That is what we should wait to see.

**The Chairperson (Mr Clarke):** Yes, he said that he would come back to us on that. What alarms me more, Ciaran, is that, given the position that you hold in the Department, I really thought that you would have had a better grasp of that assessment today. It is not exactly something that has not been suggested before. I hear about it on many Committees.

Ciaran, how did you get here today?

**Mr Doran:** I drove a Suzuki Swift car down the road from Newry.

**The Chairperson (Mr Clarke):** Did you come on your own?

**Mr Doran:** I did, yes.

**The Chairperson (Mr Clarke):** And you, Tony?

**Mr McConnell:** I drove from the office.

**The Chairperson (Mr Clarke):** Right. You are on how many pence a mile?

**Mr Doran:** About —

**The Chairperson (Mr Clarke):** You implied something earlier, and I was keeping this for last. You talked about the voluntary drivers getting 50p a mile. Here are two officials from the one Department who came separately in their own cars, probably getting between 40p and 60p per mile. Is that value for money, Ciaran?

**Mr Doran:** I have not claimed any mileage, Chair.

**The Chairperson (Mr Clarke):** No, no. I did not ask you whether you claimed it, but you are eligible for it. There are two officials here from the same Department who came to Stormont in separate cars. You made some suggestion about the voluntary drivers who get 50p a mile. I think that there was a question mark over the value of that. I see that you are puzzled. You did. If you want to listen back —

**Mr Doran:** I genuinely do not remember making any comment about voluntary drivers.

**The Chairperson (Mr Clarke):** You made reference to them getting 50p a mile.

**Mr McConnell:** Sorry, Chair, it was me who said —

**The Chairperson (Mr Clarke):** Was it you? Sorry, Ciaran. I apologise. Tony made the comment. However, you are both officials from the Department who get 50p a mile, yet there are voluntary drivers who do not get paid. You two gentlemen have very good salaries, you came in separate cars and you are eligible to claim mileage. Is that value for money? I suggest not, but we will leave it there.

**Mr McConnell:** Sorry, Chair. The point that I was trying to make about the 50p a mile was not whether it was value for money or not; it was just to say that, with the volunteers, there was a cost element involved. I did not go into any detail about whether it was value for money or not.

**The Chairperson (Mr Clarke):** Yes, and there is a cost to the Department for departmental officials to come here today in separate cars and who are eligible to claim separate mileage. Thank you very much, gentlemen.

*The Committee suspended at 12.22 pm and resumed at 12.33 pm.*

*On resuming —*

**The Chairperson (Mr Clarke):** Members, let us make a start. For the record, I will not reopen the meeting to questions, but I want to seek clarification from the community transport representatives. Ciaran or Tony raised a point about seeking information, and it might be useful to read into the record the type of information that is recorded. There seems to be a bit of confusion about the information that the Department receives and the information that the community transport organisations provide.

I do not know who wants to speak, but for the benefit of the public record, it would be useful to have your input. You provide information monthly. What level of information is provided, and what sort of detail is in it?

**Ms Anita Flanagan (Fermanagh Community Transport):** We provide information monthly on the number of trips and the mileage by the buses and by volunteers. If we subcontract to taxis, we provide the mileage that is allocated to taxis, the reason for people's travel and all the section 75



information, which includes gender, age, health, dependants and disabilities. All that is covered. What else is covered?

**Mr Paddy McEldowney (Easilink):** The mileage of buses and volunteers is broken down to dead miles and live miles. We know when passengers are on a bus and when a bus is travelling empty to lift passengers. That is all recorded.

**Ms A Flanagan:** We also record the mileage apportioned to Dial a Lift. So it is the actual mileage for Dial a Lift, for groups and for non-RTF services. It is clear what the Department is funding. The Dial a Lift miles are the Dial a Lift miles, and we also give information on the trips.

**The Chairperson (Mr Clarke):** You had the benefit of listening to the departmental officials. Do you know what the other information is that they referred to?

**Mr Billy Moore (North Coast Community Transport):** Ciaran referred to where they were going. We categorise a reason for travel, which includes local hospitals, doctors, shopping or visiting. We have six or seven categories and provide that monthly.

**The Chairperson (Mr Clarke):** That is what I want to ask you about. Even that information is on it.

**Ms A Flanagan:** Yes.

**Mr Moore:** Yes. It is a four-page statistical report. We can forward you a blank copy so that you can see the detail. It is very detailed.

**The Chairperson (Mr Clarke):** That would be useful for the Committee.

**Ms A Flanagan:** We also provide the number of active users: that is, the number of our users who actually use the service. If, for example, 200 of our members use the service, the Department gets that information.

**The Chairperson (Mr Clarke):** If members are content and your partners are content, it would be useful for the Committee if you could give us that information for one of each of your groups, if they are prepared to do that. I am confused that the Department does not seem to think that it is getting some of that stuff.

**Mr Dallat:** Chair, in view of that, is there any need for the Department to wait for annual returns that are published in several months' time to acknowledge —

**Ms A Flanagan:** Sorry. As well as the statistical report, we provide a quarterly financial report that accounts for every penny that we spend and the money that is apportioned to Dial a Lift, to groups and to other services. The Department knows exactly what we are spending and how it is allocated and apportioned.

**Mr Dallat:** So the annual reports that will come out in a few months' time are only a decoy.

**Ms A Flanagan:** They are our audited accounts.

**Mr Moore:** I think that Ciaran is looking for the audited accounts for each company, which are independently audited. I think that the Department hangs all its weight on that document.

**The Chairperson (Mr Clarke):** To be fair to the Department, and taking account of David's point about how they can make a decision, I think that it is important that the Department gets audited accounts. Obviously, they are independently audited. I do not think that any of us would disagree with the Department's seeking that. I am a wee bit confused about one thing. In what month in the past two years have you given the Department the audited accounts?

**Mr Moore:** It is part of the letter of offer that you must submit accounts by an agreed time. It used to be six months, and they had to be in by the end of August. This year's letter of offer states that we have to try to have them in by the end of June. The onus is on us to get audited accounts to the Department by the end of June this year.

**The Chairperson (Mr Clarke):** I will take David McNarry's point on how they arrived at the decision, which I think was well made. If you are not expected to do it until the end of June, it is difficult to know how the Department could arrive at that decision and say some of the things that it said today, when it was making that judgement, knowing that it was not going to be in until June. I am trying to paraphrase what David said. I think that David was surprised — I was surprised — that the Department was taking a stab in the dark. If it seems as if the information was only ever provided in June, the position this year is no different to previous years.

**Ms A Flanagan:** As I said, it always has the financial information for the whole year.

**The Chairperson (Mr Clarke):** Yes, but when did the audited accounts come in last year, Anita?

**Ms A Flanagan:** July.

**The Chairperson (Mr Clarke):** So when the officials told us today that they were making the decision on the basis that they were still waiting for audited accounts, they would have known that they were not due until June.

**Ms A Flanagan:** Yes.

**The Chairperson (Mr Clarke):** Are members clear on that issue?

**Mr Ó hOisín:** The revenue and costings are provided quarterly. That would be provided in the audited accounts on an annual basis only.

**Ms A Flanagan:** Unless the question has been asked by the Department, which it has been.

**Mr Ó hOisín:** That can be done at any time during the year. You could be asked about reserves more than once.

**Ms A Flanagan:** No

**The Chairperson (Mr Clarke):** That clears that up, members. Thank you for your time.