



Northern Ireland  
Assembly

Committee for Regional Development

# OFFICIAL REPORT (Hansard)

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

16 January 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Regional Development

### Inquiry into the Better Use of Public and Community Sector Funds for the Delivery of Bus Transport in Northern Ireland: Consumer Council Briefing

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

Mr Jimmy Spratt (Chairperson)  
Mr John Dallat  
Mr Stewart Dickson  
Mr Ian McCrea  
Mr David McNarry  
Mr Cathal Ó hOisín

**Witnesses:**

Mr Scott Kennerley	Consumer Council
Mr Aodhan O'Donnell	Consumer Council

**The Chairperson:** I welcome again Aodhan O'Donnell, who is director of policy at the Consumer Council, and Scott Kennerley, who is head of transport. You are both very welcome, gentlemen, to discuss the better use of public and community sector transport. Welcome to our inquiry. Papers are at section 5 of members' packs. Gentlemen, you have 10 minutes to make a presentation, and then leave yourselves open to questions.

**Mr Aodhan O'Donnell (Consumer Council):** Thank you very much. Thanks again for hearing from the Consumer Council, this time on the issue of bus transport in your inquiry on public and community transport. Members have received the briefing paper that was submitted in September 2012, which outlines in more detail issues that we wanted the inquiry to potentially consider as part of the process and work that the Committee is taking forward. We have to say that we are very supportive of the Committee's focus on the use of public and community sector funds for bus transport provision. From the Consumer Council's point of view, it is one of the key issues that consumers engage with us on. They raise issues, enquiries and complaints about when the service is provided and accessibility or lack of availability in some areas, especially rural areas.

In our brief, we touched upon research that we have undertaken over the past number of years, particularly on issues of integration of bus services between different providers and some people's lack of access, particularly in rural areas, and the impact that that has had. We have also referred to work, which is in its final stages, that we have undertaken with the Patient and Client Council on the use of public transport to access healthcare and health facilities. That has raised issues about people missing appointments and not having access to different healthcare facilities.

To summarise the details that we provide in our response, we could break it down into three key areas that we think are issues to be considered as part of the inquiry. One is the issue of integration across services in who provides those services and how they can join up better to provide the passenger with

the best experience, accessibility and availability of services. We would look towards greater collaboration and a collaborative approach across Departments with regard to how planning, funding and delivery of transport services are provided and, ultimately, a review of all services that are, at present, supported by public funds in order to ensure that they are being delivered as effectively and efficiently as possible to give passengers access to the services that they need and to provide value for money for the public purse.

To summarise, we have included in our brief four recommendations that we feel it would be useful for the inquiry to consider. The first is to assess whether transport services meet the needs of passengers in the most effective and cost-effective way. The second is to get a clear picture and understanding of all the funding that actually goes into the delivery of public transport services. The third is to look at the recommendations and conclusions that will emerge from ongoing efficiency reviews into Translink, for example, and previous recommendations that have been provided in other efficiency reports as well. The fourth is to seek a commitment that there will be a collaborative approach to planning, funding and delivery of public transport that can be taken forward to ensure the most efficient use and provision of public transport.

We are also aware of the inquiry that the Committee is undertaking into transport delivery structures. We propose to provide a submission to that. I think that the closing date is this Friday. Some common issues and themes emerge across both pieces of work. As I say, the paper has more detail. That is a summary of our key issues and recommendations, and I am happy to have a discussion on that or to provide further detail on any of the research or answer questions that members may have.

**The Chairperson:** Thanks very much, Aodhan. I will start. Your paper refers to the PricewaterhouseCoopers (PwC) report on the Northern Ireland Transport Holding Company. The report says that there needs to be fundamental change in the operating model and consideration of radical options. What fundamental changes should there be and what are the radical options? I notice that there are some ideas on car parking, retail, and so on, in relation to the Northern Ireland Transport Holding Company. Its constitution or set-up is a bit of a mystery to most members of this Committee. Indeed, it is not very transparent — that is probably a good way to put it. What do you see as being the radical options?

**Mr O'Donnell:** It is a key issue for us. Those elements are taken from that PwC review and are the recommendations and options that were put forward. For us in the Consumer Council, the first stage of that is understanding the opportunities for reorganisation or for a fundamental review of the company itself. We have some frustration with the follow-up from the recommendations of the PwC report in 2010, and we believe that there should be more reporting on the recommendations that have been accepted as part of the PwC report and detail on how some of them have been enacted. Some of the recommendations are quite clear on opportunities for revenue growth or improving efficiencies, and, for us, it is difficult to see where some of the recommendations got traction and what progress has been made towards them. That is an issue for identifying where the company needs to go in the future.

**The Chairperson:** Transparency is a major issue. Are you fully clear about everything in the Northern Ireland Transport Holding Company such as its assets, its set-up and its general day-to-day business? Are you totally clear on all that? I am not clear, and I think that most members of this Committee are probably not.

**Mr Scott Kennerley (Consumer Council):** The Consumer Council agrees with that, Mr Chairman. We will go into that in more detail in our response to the comprehensive inquiry, which asks a specific question about the Northern Ireland Transport Holding Company. It is essential for us that there is accountability and transparency for organisations involved in the delivery of public transport services.

I will link back to our response to this inquiry and pick up on a point that my colleague Aodhan made. There were two reviews, the first of which was the outline business case on public transport reform, and that contained some comments on efficiency. We then had the PwC report on the financial review of the company for the Department for Regional Development in 2010, and, in May 2012, the Minister announced the performance and efficiency delivery unit efficiency review of Translink. So, you could argue that there have been four efficiency reviews within a period of four years, and we do not see a transparent process that demonstrates progress against any of the recommendations. That is why one of our recommendations to the Committee is that it seeks and is provided with a report that demonstrates what recommendations were accepted — some of them may not have been appropriate

for whatever reason — what progress has been made and how improvements in efficiency have been identified and, more importantly, addressed.

**The Chairperson:** What research has the Consumer Council done into services that are provided by the health and education boards, etc? Recently, we visited a conference in London, where the local authorities have the governance role in health and education, as I am sure that you are well aware. We were impressed by some fairly significant savings that have come about as a result of working in a joined-up approach. Have you done any specific research into those areas, or have you any views on how there could be improved co-operation between the education boards and the health and social care trusts as they presently exist in Northern Ireland? Have you any views on how we might be able to get better joined-up working and thinking with the rural transport schemes and all the rest of it, so that there is more service for the consumer?

**Mr Kennerley:** We have not done any specific research that has looked at the potential savings that could be achieved by a more collaborative approach. We have looked at consumers' views on the transport services that they use. For example, the Transport Matters research that we looked at in 2011 asked young people about their experiences of using transport. They talked about the impact that a lack of transport had on their ability to attend after-school events and things like that. That was particularly pronounced in rural areas. In addition, we have looked at research in relation to health transport and some of the issues that people face. I think that one in five people had cancelled an appointment due to transport issues. That is not just public transport, but it is still a significant issue in relation to the provision of transport services.

The short answer to whether there is a joined-up approach from government and whether it could be better is yes. It needs to be looked at. It has been raised by us and has been recognised in the Assembly.

**The Chairperson:** Where have you raised the issue in terms of a better deal for the consumer?

**Mr Kennerley:** The Transport Matters research, for example, made the point that more efficiencies could potentially be achieved by looking at integrating services and a better joined-up approach from government. Specifically, the young people who were involved in the research identified a need to:

*"Develop an integrated approach from all sectors providing transport including Translink, community transport, education and health transport and taxis to ensure services meet the needs of young people in rural areas."*

That recommendation received support from the Committee for Regional Development in January 2011. It is an issue that has been debated in the Assembly; motions have been passed calling for the Minister for Regional Development and the Minister of Education to work together, and for the Minister for Regional Development and the Minister of Health, Social Services and Public Safety to work together. It is important to look at the potential for joined-up working. From 2015 on, we will have the new approach to regional transportation. We, as a member of the integrated transport steering group, recently had a presentation on how that approach will look at shaping investment from 2015 on. That will look at making investment decisions based on transport policy, but that is for only the Department for Regional Development. It is doing that in isolation; the Department of Education and the Health Department are not involved in that. So, it is an area that needs to be looked at if we are to change the status quo for the next comprehensive spending period.

**Mr O'Donnell:** The point of the question was to ask what the impact of better integration could be on the consumers of the future. The only research that we have been able to undertake is consumer views of existing services and provision. The Consumer Council could look for further engagement with the Committee on that to see what views and opinions there might be of future service provision if there were better integration across different providers. As I said, we can only test consumers' experience of what sits at the minute, but, if we were to have a better idea of how future integration would potentially work, we could do some further work on that.

**The Chairperson:** David, you have to leave the meeting early, so I will bring you in first.

**Mr McNarry:** That is very kind of you. Thank you. That was a very helpful submission. It is good to see written recommendations, and, as with the issue of water, it is interesting to see an emphasis on

funding and efficiency. That seems to be a trend. It makes you wonder that if there were no Committee inquiries, what would people be getting away with, if I may use that term?

Gentlemen, would you welcome competition for the public transport contract, and do you have any views on Translink's procurement policy?

**Mr Kennerley:** The Consumer Council does not have a defined position on that. We are welcoming of healthy competition for consumers. Where potential competition exists in relation to the provision of public transport services, there is a danger that, if there are competing providers, the most profitable routes get a number of services on them but the —

**Mr McNarry:** That was not my question. My question was about competition for the contract.

**Mr Kennerley:** We have no objection to there being any competition for a contract for the provision of public transport services. The issue is about whether the introduction of competition would bring about the situation where the most profitable routes had a number of services available and the less profitable or unprofitable routes that are still socially necessary would see a deterioration in the services available. We would certainly have an issue with that.

**Mr McNarry:** What is your view on the procurement policy?

**Mr Kennerley:** Do you mean about how Translink purchases buses? I am not sure that I fully understand.

**Mr McNarry:** I am referring to the manner in which Translink procures transport equipment.

**Mr Kennerley:** We do not get involved in the operational aspects of how Translink purchases equipment, including whether it is getting the best value for the buses that it buys. We do not have a particular view on that. We do have a view on the importance of ensuring efficiency, accountability and transparency, but, as I mentioned earlier, we will probably describe that in more detail —

**Mr McNarry:** You have not identified a link between procurement and efficiencies?

**Mr Kennerley:** As a general broad-brush point, finding efficiencies and having accountability and transparency is essential to ensuring that the Committee and consumers have confidence that value for money is being delivered. We will provide a fuller response to the second inquiry.

**Mr Ó hOisín:** I will further that point slightly. That transparency and responsibility in expenditure is immeasurable in the current dispensation in that we have cross-departmental delivery of various transport models across the board. Particularly in rural areas, there is a potential diminution of public transport services and their non-replacement by the other alternatives, be that community transport, the health service or the education sector. That is where my concern lies. You obviously do not believe that there is sufficient transparency. We have not been on a level playing field from the very start. What are your thoughts on that?

**Mr O'Donnell:** We are coming at it from the consumers' point of view, rather than as a provider of a transport service. It is clear to us that the consumer wants the service to be provided and, perhaps, has fewer views or thoughts about who is providing that service. They want to make sure that they have accessibility to public transport. We think that, because of the many Departments that have provided funding and the different resources and services that are provided, there is almost a need to take a clean piece of paper and get a handle on all the different funding and services that are being provided. No doubt, that will show up the fact that there are gaps in service provision and, maybe, risks to provision, especially in rural areas. However, there might also be duplication of services and other opportunities for greater efficiencies with regard to sharing resources and depots or some link around fuel or tyres. There might be opportunities for greater efficiencies on that basis. We agree with that position. There does need to be an overall assessment across Departments on what funding and services are being provided.

**Mr Ó hOisín:** It will be interesting to see how the pilot scheme works out in the Dungannon and Cookstown area, particularly with reference to the connection between Translink and community transport for the delivery of service within rural areas.

**Mr O'Donnell:** It is about the integration between services, but it is also about the co-ordination of services and whether people can move across from a community transport provider to the main public transport network. As you said, there are examples of pilots that have been under way, which will help to inform what works and what does not work so well.

**Mr Dallat:** Thank you for your presentation. In particular, I am looking at the statistics that you have unravelled for the rural communities. Quite frankly, they are shocking. Something like 18% of rural dwellers use public transport, and the satisfaction level among them is even worse. In your report, you have highlighted the lack of integration between the different providers of public transport. To help us in our inquiry, how do you suggest that we make our recommendations so that another Committee does not have this debate in 10 years' time, or whatever? We get the same complaints, but no solutions. Translink holds the whip. It makes all the decisions. How can we change that so that there is a level playing field and everybody, including community transport providers, is part of a team — all on the same playing field, at the same level — and integrated in terms of concessionary fares, timetables and everything else?

**Mr Kennerley:** A step in the right direction would be to create an environment where that can happen. I observed the Committee's evidence session last week. In her evidence, Kellie Armstrong from the Community Transport Association gave a good example of some of the issues that her members experience in relation to being able to deliver services. I believe that it was Mr McAleer who asked the question about whether it would be helpful if Departments were required to transport-proof their policies. The short answer to that is yes. It would be beneficial to creating an environment in which there is not a silo approach and in which organisations and Departments can work together.

During Kellie's evidence, she was asked a question and stated that Translink does not give information on community transport services through its call centres, for example. That is a particular issue for anybody who is wanting to plan their journey if they are unfamiliar with the area and the different services that are available. The provision of information is essential to enable people to plan their journey and access a service. If you do not have all the information, it may appear that the journey you need to make cannot be achieved using the public transport services that are available. However, in the Department's response to the process for public transport reform consultation, it stated:

*"The Department ... plans to ensure that the Translink call centre provides travel information to customers of all ... transport services (not just those of Translink)."*

Therefore, the ideas are there. Those are things that a commitment has been given to. It is essential for the Committee to seek an outcome that will see a joined-up approach from government and create an environment in which service delivery agents can work together. That, I hope, will be an outcome of the mid-Ulster pilot.

**Mr Dallat:** Face it: our public transport system is largely an extended school bus service. How, with very limited resources, can we develop a public transport system that is fit for purpose and, at the same time, not a duplication of school transport?

**Mr Kennerley:** The first step, in a combination of the two inquiries, is to seek a review of the services currently being delivered against a travel-needs analysis so that we can see when, where and why people want to travel. You mentioned rural areas on a number of occasions. Public transport in rural areas is for many people a very difficult service to access. Our research into the cost of petrol and diesel shows that rural dwellers are paying considerably more for their petrol and cannot access an alternative. Fewer people use public transport in rural areas, because there is less of it available.

**Mr Dickson:** Thank you for speaking to us today. In the recommendations, you quote PwC as saying:

*"there would need to be a fundamental change in the operating model and consideration of radical options."*

Will you take me through what might be a radical option for the now-approved Belfast rapid transit system? Would a radical option be for Translink not to be the operator of that? If it were not, who would you see operating the service and how? That is my first question.

I would like to get your wider view on the role of the Transport Holding Company. I know that the Chair and others would also like to get a view on that.

**The Chairperson:** It is very difficult to get that.

**Mr Dickson:** Finally, there is reference in the recommendations to the potential for charging, or getting additional income from what looks to be, from what I read here, park-and-ride facilities. In other words, you have to pay to park before you can ride. Do you consider that to be an incentive or disincentive to people coming off the road and on to public transport?

**Mr Kennerley:** I will clarify something around our submission and the recommendations from the PwC report. Those are PwC's recommendations. They are not ours.

**Mr Dickson:** I understand that.

**Mr Kennerley:** The point that we were trying to illustrate is that those recommendations were made back in 2010. We still do not know what, if any, progress has been made against them.

As to whether the bus rapid transit system is a radical option or a game-changer, my understanding is that the original plan was that it would not necessarily be a given that Translink would be the provider of that service and that it would go out to open tender. However, that was changed.

**Mr Dickson:** I do not think we actually know, do we?

**The Committee Clerk:** My understanding is that there were some soft soundings of other operators in the system. They came back with an indication that there may be difficulties with integrating the rapid transit system with the remainder of Translink's services. Under EU legislation, the Department could appoint a preferred provider.

**Mr Dickson:** I am just seeking your views. You represent the voice of the consumer, so what is your view on that?

**Mr Kennerley:** As long as consumers get from where they are to where they want to go in a reasonable time and at a reasonable cost, there will not be a particular issue with who is providing that service. As I said, as long as it is a good service that represents good value for money. I think that that is the essential point, and that links into the view of the Northern Ireland Transport Holding Company. I hope that the Committee will receive a clear view from the Consumer Council regarding the Transport Holding Company and its relationship with the Department in our response to the second inquiry, which illustrates challenges to accountability and transparency that not only we but the Committee have experienced.

**Mr Dickson:** What about the parking charges?

**Mr Kennerley:** There was a recommendation from PwC, and we would like to see incentives that encourage private car users away from their car and on to a public transport service.

**Mr Dickson:** Are you saying yes or no to that as a recommendation?

**Mr O'Donnell:** Park-and-ride facilities have been shown to be very successful, especially in areas outside Belfast. Where costs have not been applied to a park-and-ride facility, I would prefer not to see a cost applied, as anything that disincentivises people from travelling by bus could increase the commute of people travelling in and out of Belfast.

**The Chairperson:** OK, Stewart. You do not look very happy or are you happy enough?

**Mr Dickson:** I am.

**Mr I McCrea:** A pilot was carried out in the constituency of Mid Ulster, and, as someone who complains regularly that the rural communities are left behind when it comes to public transport, I can understand some of the reasons behind it. Nonetheless, it is difficult to explain to people — especially those in Mid Ulster, where two thirds of the population live in rural areas — why they should be treated

less equally than those living in urban areas. How do you see that pilot working and ensuring that people who live in rural areas get the service that they require? In dealing with the community transport issue and the Department of the Environment's responsibilities over the licensing and for changing that, how do you see it going forward? What role will you play in that, and what is your opinion of it?

**Mr Kennerley:** There are two key things with the Mid Ulster pilot: it has huge potential to change the way in which transport services are planned and delivered in Northern Ireland, but it also faces huge challenges from a legislative point of view over licensing, and so forth. It is basically about getting everybody together to work towards the common outcome of achieving better engagement and better service delivery for transport in that area, although many of the service providers may still be shackled by the existing silo environment. That will be a huge challenge to overcome.

We are planning to be involved in the pilot at some stage so that we can give consumers the opportunity to get involved or engaged. This is basically a pilot to look at what the public transport reform process termed as "local public transport plans". Local public transport plans have the potential to change the way in which communities and stakeholders in urban and rural areas get a say in the transport needs that they have in their area, and how those needs can be matched against the available resources, as opposed to the other way around.

**Mr I McCrea:** If the change to the legislation for licensing and whatnot has a more detrimental impact on how the community transport service is provided, surely, although it is outside the remit of the Committee in that sense, it is important that the concerns and the issues be a key part of moving this forward, even given any changes to the legislation. Hopefully, the outcome of the pilot will bring about those things.

**Mr O'Donnell:** That has to be part of it. If we are trying to encourage integration across different services, anything that can prevent that from happening or has the potential to stop that happening, such as legislative changes around licensing, has to be addressed and attempted to be dealt with.

You are right about the opportunity for a pilot to influence the public transport reform process. That is a good place for it to go into, to influence how local transport plans are being produced. There will have to be some consideration of how that works or what differences need to be taken account of between an urban area, which will have different transport requirements and potentially different transport providers, and the rural transport provision. Based on the fact that around 45% of our population live in rural areas, so what is required for urban transport provision is almost equal.

**The Chairperson:** Thank you very much for your input. The Committee has further questions, but we will write to you with them and ask you to respond.