

**Department of
Finance and Personnel
Memorandum on the Thirty First
Report from the
Public Accounts Committee
Mandate 2011-2016**

**DRD: The Effectiveness of Public Transport in
Northern Ireland**

**Presented to the Northern Ireland Assembly
by the Minister of Finance and Personnel**

27 November 2015



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Glossary of Abbreviations

CPI	Customer Performance Index
DFP	Department of Finance and Personnel
DRD	Department for Regional Development
MSFM	Management Statement Financial Memorandum
NI	Northern Ireland
NIR	Northern Ireland Railways
NITHC	Northern Ireland Transport Holding Company

Thirty First Report

Department for Regional Development

DRD: The Effectiveness of Public Transport in Northern Ireland

PAC Recommendation 1

The Committee recommends that, alongside targets for overall passenger numbers within each Translink subsidiary, the Department needs to set challenging targets in relation to the growth of fare paying passengers.

The Department for Regional Development (DRD) accepts this recommendation.

Fare-paying passenger journeys have been monitored as part of the suite of key performance indicators produced by Translink on a monthly basis and shared with DRD since the introduction of the Management Statement Financial Memorandum (MSFM) in 2008.

DRD signed a five year Service Agreement with Translink on 6th October 2015. The numbers of fare paying passengers in each subsidiary are key performance obligations in Schedule B of this agreement. Specific targets for fare paying passenger journeys will be set over the life of the agreement, taking due regard of all relevant demographic and financial factors. Targets will be challenging and SMART focused and will continue to be monitored by DRD. It is also important to recognise that DRD consider the overall level of fare income generated by Translink relative to its total income, not purely the numbers of passengers paying fares.

PAC Recommendation 2

The Committee also recommends that the Department should seek regular analysis of the use of concessionary fares from Translink and report on the level of usage by various eligible groups.

DRD has already implemented this recommendation.

Translink has produced a breakdown of concessionary fares journeys by subsidiary companies on a monthly basis since the introduction of the MSFM in 2008. Statistics on passenger journeys are reported to DRD (for Ulsterbus/Metro/NI Railways) on fare-paying passengers; Smart Pass 60+; Smart Pass 65+; school pupils; total passengers; morning peak passenger numbers; afternoon peak passenger numbers; total peak passenger numbers; and other concessions. This information will continue to be provided to DRD under the Service Agreement to enable it to monitor trends in concessionary fares usage. DRD will consider the most meaningful way of further reporting on this existing information.

PAC Recommendation 3

In order to deliver services that customers actually want, and thereby improve the attractiveness of public transport, the Committee recommends that Translink strengthens its arrangements for surveying passenger needs. It is also important that its measurement and reporting of customer satisfaction covers areas such as staff helpfulness, cleanliness, comfort, information provision and value for money. This should also involve the setting of more meaningful performance targets with a greater emphasis on outcomes in terms of customer satisfaction and value for money.

DRD accepts this recommendation.

Translink will review how best to survey customer needs and will strengthen its arrangements as necessary.

In relation to the current Passenger Charter surveys which are carried out independently to assess performance, there is already a Customer Performance Index (CPI) in place. The CPI is a single score which summarises each

operator's overall performance in the eyes of the customer. The score can be broken down into a number of components based on the key attributes of service – punctuality; value for money; availability of seating; passenger comfort; customer service; and cleanliness. These are the key drivers of satisfaction amongst Translink's passengers.

Every three to four years DRD, Translink and the Consumer Council ask passengers how important each of these attributes are and the data collected is used to calculate a relative weighting for each attribute in the index.

CPI is not the only means to determine customer satisfaction. A series of key questions, such as, 'Overall, how satisfied are you with the service you receive?' are asked for Metro, Ulsterbus and Northern Ireland Railways (NIR) in both the spring and autumn monitoring exercise. Translink and DRD monitor this information and benchmark it against similar transport operators in Great Britain.

DRD will consider how it can set more meaningful targets for customer satisfaction with a view to improving customer satisfaction and value for money.

PAC Recommendation 4

The Committee recommends that Translink examines its train timetable on the Belfast - Dublin line with the objective of providing commuters with the ability to be at their business destination for 09.00 a.m.

DRD accepts this recommendation.

Translink is in regular dialogue with Irish Rail with the aim of further deploying enhancements to timetables including earlier arrival times into Dublin. Changes to current times require joint agreement with Irish Rail on timetable slots; allocation of train capacity to ensure any changes or additional train paths can be facilitated; and integration with Irish Rail's outer suburban Dublin Area Rapid Transport (DART) network which is increasingly intensely utilised.

DRD will ask Translink to examine its train timetable in conjunction with Irish Rail with regards to the above but early achievement of this recommendation is likely to be difficult.

PAC Recommendation 5

While welcoming the planned introduction of a new ticketing system from 2018 to facilitate the integration of bus and rail services, the Committee recommends that Translink does more in the interim to facilitate greater integration of the services it provides, together with the integration of its services with other modes of transport.

DRD accepts this recommendation.

DRD will discuss with Translink what more it can do to facilitate greater integration of the services it can provide. However, Translink has already carried out a substantial amount of work to improve integration of its services. For example there are interchange opportunities at a number of integrated stations including Great Victoria Street/Europa, Bangor and Coleraine; there is free travel for NIR passengers via Metro from Central Station into Belfast city centre and at Newry rail station via Ulsterbus; there are town services and other Ulsterbus services operating via railway stations; and all NIR local train services, all Goldline services, five Park & Ride services, two airport services and Royal Victoria Hospital service are operating to and from a common hub in Great Victoria Street/Europa Bus centre site.

There has also been a lot of work taken forward to make it easier for customers to research and purchase the best value tickets. These include an integrated multi-function contact centre with one local telephone number; an integrated travel centre with joint bus and rail 'best ticket' finder; one website for all Translink bus and rail services; and an eComms platform covering a range of Translink bus and rail services. Further, integrated ticketing products have been developed such as SmartPasses for 60+/65+/Half Fare Concession Passes – permitting travel on any scheduled bus or rail service; iLink Cards – four Zones Adult and Child covering all of NI; YLink Card – 16-23 year olds given discounted travel on all Translink scheduled bus and rail services; Belfast Visitor Pass – bus and rail travel plus discounts at 70+ attractions in the Belfast area; and integrated provision of travel to major sporting and cultural events in Northern Ireland (NI) and the Republic of Ireland. In addition, Translink has

produced publications such as “Travelling with Translink” and “Senior Moments”. Further the Best Value Sales Team has been visiting schools, colleges and shopping centres promoting a joint approach to accessible travel.

Regarding integrating services with other modes of transport, DRD’s Cycling Unit regularly engages with Translink on its strategy. Cycling initiatives on bus and rail already in place or being considered include provision of bespoke cycle spaces on the train fleet; provision of cycle parking at a number of bus and rail stations; Belfast Cycle Scheme bikes are located at Central Station and close to Great Victoria Street Station; and consideration is being given to bus alert devices being fitted to the Belfast Rapid Transit project fleet. DRD and Translink will however continue to look for other new ways to improve integration, including with other modes of transport.

PAC Recommendation 6

We acknowledge the Department’s stated intentions to introduce modal shift targets and recommend that these should be implemented as soon as possible. They should cover a suite of indicators including those travelling to work using public transport, rural and urban targets, and progress should be reported on regularly.

DRD accepts this recommendation.

DRD is in the process of developing modal shift targets and the monitoring framework that DRD is currently developing will reflect this commitment.

DRD’s “New Approach to Regional Transportation” sets out DRD’s commitment to develop a suite of strategic performance indicators alongside specific outcome targets linked directly to interventions. To date a suite of indicators has been identified including those travelling to work using public transport. All allow for robust ongoing monitoring and the establishment of baselines. The majority also enable benchmarking with comparator regions.

DRD will monitor the direction of travel across the suite of strategic indicators and benchmarking performance, and identify emerging issues and areas where it may be necessary to set more ambitious targets. The outcome targets will also be monitored alongside progress in the delivery of key schemes to ensure delivery is on track and resulting in the anticipated impacts.

In addition, DRD proposes to monitor delivery progress quarterly and will provide an annual report setting out an assessment of progress against targets and strategic performance indicators.

PAC Recommendation 7

The Committee recommends that the Department should seek to build the necessary public support to enable it to introduce further demand management measures. In particular, the Department needs to reconsider its policies around car parking availability (for both its employees and the general public) to ensure that they complement, rather than conflict with, policies designed to promote public transport. In this regard, the Department and Translink should re-examine Translink’s ownership and operation of publicly available car parks, with the ultimate aim of phasing them out.

DRD partially accepts this recommendation.

DRD will continue to promote the benefits of public transport and demand management measures.

In April 2013, as part of local government reform, the NI Executive decided that the new 11 councils should become responsible for the provision, ownership and management (including enforcement) of all of DRD’s off-street car parks. From 1 April 2015 all of DRD’s off-street car parks transferred to the new councils, including those transferred to Belfast City Council. Although DRD no longer has any direct control over the operation and provision of off-street car parks, it will endeavour to influence the new councils’ policy on off-street car parking to ensure it is consistent with broader government public transport policy.

DRD is developing a Workplace Travel Plan for its headquarters in Clarence Court that will consider opportunities to reduce parking provision with the intention of identifying and promoting sustainable options to the car for the work journey such as cycling, walking, more use of public transport, increased provision for car sharing and Park & Ride/Share.

In line with the Transport Acts establishing Northern Ireland Transport Holding Company (NITHC), it is allowable for revenue generated from car parks to be used to cross subsidise the costs of providing bus and rail services. This is particularly important in a period when government funding to Translink has been cut significantly. Strategically, the car parks at both Great Northern Mall and Central Station are used by customers of both stations to access public transport; the site at the former will play a key role in the development of the Belfast Hub Project. Translink are working closely with the Strategic Investment Board to maximise revenue streams generated by its car parks which in itself helps to maintain services and reduce fares. In relation to Translink re-examining its ownership and operation of publicly available car parks with the ultimate aim of phasing them out, this will only be pursued if an alternative to the funding streams, generated by these assets, can be identified and guaranteed.

PAC Recommendation 8

The Department of Finance and Personnel should also undertake a review of the provision of free car parking facilities for public servants in Belfast in order to ensure that this provision is not inconsistent with and does not undermine the wider strategic aim of raising the profile of public transport.

The Department of Finance and Personnel (DFP) partially accepts this recommendation.

DFP has its own departmental policy on car parking, which is for DFP business areas only. DFP's departmental policy on car parking sets out specific criteria for the allocation of a car parking space. These criteria relate to the provision of spaces for disabled drivers who have restricted mobility and for staff who meet a minimum qualifying threshold of official journeys per annum. Requests for car parking spaces are considered and approved by DFP Heads of Branch, in line with the criteria set out in the DFP policy, and authorised by a Grade five in the business area. Business areas are expected to monitor and review entitlement to parking spaces on a biennial basis. DFP is content that its car parking policy is not inconsistent with and does not undermine the wider strategic aim of raising the profile of public transport.

There is no central policy on the provision of car parking facilities for public servants in Belfast. With regard to other NI Civil Service departments, DFP is not responsible for their car parking policies. It is for each individual department to determine those staff who, as part of their job, are considered to be essential car users. This will be determined by the particular business needs of the relevant department. DFP's role is to provide access to car parking spaces where departments consider that these are required to conduct their business. Some of these spaces are attached to DFP owned or leased buildings, others are leased spaces.

DFP will however draw this recommendation to the attention of departmental Accounting Officers and ask them to ensure that their car parking policies are not inconsistent with and do not undermine the wider strategic aim of raising the profile of public transport.

PAC Recommendation 9

If the Department is to deliver its objectives of growing passenger numbers and achieving modal shift, this will require an appropriate level of capital funding. The Committee recommends, therefore, that the Department commits to a rebalancing of funding levels towards public transport.

DRD partially accepts this recommendation.

The DRD Minister has already shown her commitment to public transport with the recent approval of the Belfast Rapid Transport project which will amount to some £80 million of capital investment over the next three years. Other note-worthy projects being taken forward include the integrated ticketing project and Phase two of the Londonderry to Coleraine relay. As such it is recognised that spending to maintain the rail infrastructure should be prioritised. The level of revenue subsidy to Translink will be maintained to ensure that as a minimum Translink remains a going concern.

DRD cannot however commit to a funding position which depends on the DRD Minister's views on long-term future policy for DRD as a whole and which itself depends on the NI Executive priorities to be set out in the next Programme for Government, Comprehensive Spending Review and the next Investment Strategy for Northern Ireland.

PAC Recommendation 10

The Committee recommends that the Department carries out more regular and rigorous benchmarking of Translink operations and performance. It also recommends that the Department carries out an immediate review of the NITHC Board's effectiveness and reports its findings back to the Committee.

DRD accepts this recommendation.

As part of the Service Agreement signed on 6th October 2015 to ensure compliance with European Union regulations, DRD has included a comprehensive and commonly used set of benchmarks of performance. DRD will use these to carry out regular and rigorous benchmarking of Translink's operations and performance to identify any areas for improvement as necessary.

Regarding a review of the performance of the NITHC Board, a review of Board effectiveness has been conducted by NITHC's external auditors. DRD will consider the findings of the review and report back to the Committee. It should be noted that the review will have particular relevance to the new NITHC Board which will take up appointment in January 2016. The personal performance of the Chair of NITHC will continue to be appraised on an annual basis by the DRD Permanent Secretary.

PAC Recommendation 11

The Committee recommends that, before consideration is given to reduce bus and train services, the Department should ensure that it is satisfied that Translink has undertaken a thorough and evidenced review of operational and administrative expenditure to identify potential savings.

DRD accepts this recommendation.

DRD ensures that operational and administrative spending is benchmarked and that all options are explored before fares are increased or services reduced. Despite the difficult financial context, Translink has maintained the existing bus and rail network services. Translink has recently undertaken a comprehensive review of its operation to identify cost savings and the implementation of this should realise substantial savings.

PAC Recommendation 12

The Committee recommends that the Department develops the public transport expertise it requires as a matter of priority. While the use of specialist consultants supplements transport planners, the Department should maximise the level of knowledge transfer associated with their use. The Department needs to secure adequate budget cover for the recruitment and on-going activities of its public transport planning team. In this regard, the rebalancing of funding towards public transport, called for by this Committee, will be necessary.

DRD accepts this recommendation.

DRD initiated a multi-strand incremental approach in 2012 to enhance its transport planning and modelling capacity, including for public transport.

The first stage involved employing an experienced and professionally qualified Transport Planner in February 2013 on a fixed-term contract to oversee construction of a strategic modelling system of NI and the Belfast urban area, and to establish a framework for contracting in Transport Planning and Modelling specialists as required using a Managed Services Framework. The framework contract is in place and a strategic model is operational.

The next stage is to establish and develop an in-house Transport Planning and Modelling Unit. This is likely to be in the region of six to ten professionally qualified staff, and a public competition has been launched to recruit the head of that team. DRD will seek to secure adequate financial resources to build the team, but this will depend on available budgets and other competing demands. DRD will seek to maximise knowledge transfer from any external professionals engaged to their in-house team when it is established.

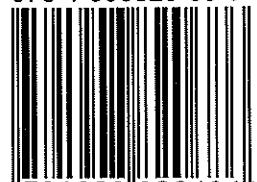
With regards to rebalancing funding, as stated in recommendation nine, DRD cannot commit to a funding position which depends on the DRD Minister's views on long-term future policy for DRD as a whole and which itself depends on the NI Executive's priorities.

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