



PUBLIC ACCOUNTS COMMITTEE

16th February, 2012

BRIEF FOR COMMITTEE MEMBERS

CONSIDERATION OF 2010 ESTIMATES

VOTE 32: Department of Transport

2010 Annual Report of the C&AG and Appropriation Accounts

Vote 32 Department of Transport, Tourism and Sport

		2010 REV €000	2010 SUPP. ESTIMATE €000	2010 REVISED ESTIMATE €000	2010 OUTTURN €000	VARIANCE €000	2011 PROV. OUTTURN €000
Administration							
A.1.	Salaries, wages and allowances	29,414		29,414	29,405	9	30,663
A.2.	Travel and subsistence	1,057		1,057	931	126	941
A.3.	Training and development and incidental expenses	2,094		2,094	1,973	121	1,609
A.4.	Postal and telecommunications services	752		752	510	242	555
A.5.	Office equipment and external IT services	1,634		1,634	1,565	69	1,523
A.6.	Office premises expenses	977		977	1,078	- 101	846
A.7.	Consultancy services and value for money and	600		600	452	148	397
A.8.	Value for money and policy reviews	61		61	-	61	
Roads							
B.1.	Road improvement/maintenance	1,636,324	(864)	1,635,460	1,635,455	5	1,270,666
B.2. *	Road Haulage Development Prog	-		-	0	-	
B.3.	Road safety agencies and expenses	33,303	(1,400)	31,903	29,163	2,740	17,075
B.4.	Vehicle and driver licencing expenses	18,779		18,779	15,155	3,624	13,546
B.5.	Smarter travel and carbon reduction	23,000	(12,682)	10,318	8,898	1,420	17,574
Public Transport							
C.1.	Public service provision payments	289,189	(331)	288,858	288,852	6	277,764
C.2.	Public transport investment programme	614,988		614,988	614,341	647	377,210
C.3.	Public transport agencies and expenses	11,660	3,196	14,856	13,821	1,035	13,160
Civil Aviation							
D.1.	Aircraft accident investigation insurance	595		595	476	119	476
D.2.	Regional airports	19,926	4,000	23,926	21,193	2,733	19,782
D.3.	Payments to the IAA in respect of exempt services	2,558		2,558	2,809	- 251	2,916
D.4.	Miscellaneous aviation services	123		123	76	47	60
Maritime Transport and Safety							
E.1.	Maritime safety and Irish Coast Guard	52,058	14,193	66,251	65,125	1,126	54,974
Miscellaneous Transport							
F.1.	Subscriptions to international Orgs	8,337		8,337	7,664	673	6,611
F.2.	Miscellaneous services	343		343	42	301	10
F.3.	Cross border initiatives	10,274	(6,111)	4,163	134	4,029	13,481
TOTAL		2,757,985	1	2,758,047	2,739,118	18,929	

Note:

- (1) Subhead numbering for 2010 is retained for 2011 although Subheads B3, B4, and B5 are Subheads B2,B3 and B4 in REV 2011.
- (2) The 2011 Provisional Outturn figures for the "A" Subheads include the expenditure on the tourism and sport functions which joined the Department of Transport in 2011.

Details of the expenditure provided for under each of the Subheads follows.

Subhead A1 - Salaries, Wages and Allowances

This provides for the payroll costs of staff serving in the Department.

Subhead A2 - Travel and Subsistence

This subhead provides funding for travel commitments arising from the Department's participation in European and other international organisations and other official travel undertaken by Marine Surveyors, Irish Coast Guard, Road Haulage Division, Aviation Security and Ministers' Offices.

Subhead A3 - Incidental Expenses

This subhead provides for a wide range of general administration costs such as general advertising, office cleaning, printing of publications, staff training and development provided by outside bodies, catering/entertainment costs, legal settlements and legal fees, costs associated with hosting and attending conferences, costs associated with investigating air accidents, etc.

Subhead A4 - Postal and Telecommunications Services

This provides for the Department's telephone, fax and postal costs. This covers phone charges, data lines, mobile phones, internet connectivity and general maintenance of the voice telephony system.

Subhead A5 - Office Machinery and Other Office Supplies

This provides for the acquisition and maintenance of computer equipment, photocopiers and other office machinery as well as the purchase of routine office equipment

Subhead A6 - Office Premises Expenses

This subhead provides for maintenance of the buildings (including day-to-day repairs), purchase of furniture and fittings, removals, ongoing charges for the maintenance of lifts, heating systems and lighting.

Subhead A7 - Consultancy and Value for Money & Policy Reviews

This subhead provides for payment for expert advice and input on complex issues, which are beyond the normal resources of the Department and the civil service generally, or in circumstances where independent input is required. Consultancy and related study work also arise in relation to specific programmes and are funded through the relevant programme subhead in some cases.

Subhead B1 - Road Improvement and Maintenance

This subhead provides funding for the construction, improvement and maintenance of national roads and grants for regional and local roads. It also includes grants to the NRA for administration and general expenses.

The subhead consists of five subhead items: B.1.1 (National roads capital expenditure - improvement); B.1.2 (National roads current expenditure - maintenance); B.1.3 (NRA Administration); B1.4 (PPP Operational Payments) and B1.5 (Grants to regional and Local Roads).

Grants are provided by the NRA to local authorities for the improvement and maintenance of national roads. National road maintenance includes re-surfacing,

day-to-day maintenance, and winter maintenance of national primary and secondary routes.

Under the Roads Act 1993, the improvement and maintenance of regional and local roads is the statutory function of individual local authorities. The carrying out of works on such roads is a matter for local authorities to be funded from their own resources supplemented by State road grants provided by the Department.

Subhead B.2

This subhead was retired in 2010

Subhead B.3 - Road Safety Agencies & Expenses

This subhead is used to fund the road safety agencies i.e. the Road Safety Authority (RSA) and the Medical Bureau of Road Safety (MBRS).

- The Road Safety Authority (established in 2006) is an agency of the Department with responsibility for driver testing and training, driver licensing, road safety research, driver education, vehicle standards, road safety information and awareness and road transport enforcement functions.
- The Medical Bureau of Road Safety was established in November 1968 under Part V of the Road Traffic Act, 1968. The Bureau's principal function is to carry out analyses, for the alcohol content of specimens of blood and urine provided for the Gardaí by people suspected of drink driving offences. The Bureau also analyses blood/urine specimens for the presence of drug(s). The Bureau issues certificates in respect of the results of these analyses, which may be used as evidence in prosecutions for such offences.

Subhead B.4 - Vehicle and Driver Licensing Expenses

This subhead provides for the maintenance and support of the National Vehicle and Driver File (NVDF) and the general administration expenses of the Driver and Vehicle Computer Services Division operations (excluding staffing costs). This included NVDF system enhancements, expenses associated with the Online Motor Tax service, Vehicle Registration certificates, motor tax discs (online service) and penalty point notices, as well as the printing of all stationary items associated with the above activities and postage costs. The expenditure is recouped from the Local Government Fund in accordance with Section 6 of the Local Government Act 1998 as amended by Section 1 of the Local Government (Roads Functions) Act 2007.

Subhead B.5 - Carbon Reduction Measures

The subhead provides funding to support the delivery of Smarter Travel – A Sustainable Transport Future 2009 – 2020 and The National Cycling Policy Framework. In 2010 funding was provided for:

- Initial and demonstration projects, primarily cycle and walking routes.
- National Cycle Network projects.

- Programmes to change travel behaviour, and to encourage awareness, including Workplace Travel Planning and Bike Week.
- The initial stages of the Smarter Travel Areas Programme.

Subhead C1 - Public Service Provision Payments

This subhead provides for:

- **Public Service Subvention Payments**
To provide for the payment of an annual subvention to transport companies in respect of the provision by the transport companies of socially necessary but non-commercial transport services.
- **Other Public Transport**
The Rural Transport Programme promotes the development of community-based public transport services in rural areas to address social exclusion arising from unmet public transport needs
- **Green Schools Programme**
This Programme is aimed at changing school travel behaviour, i.e. encouraging cycling and walking and use of public transport, thereby reducing car use in school journeys.

Subhead C2 - Public Transport Investment Programme

This subhead provides funding for the development of public transport infrastructure and the improvement of railway safety. Since 1st December 2009 the National Transport Authority (NTA) has statutory responsibility for public transport infrastructure in the GDA and since September 2010 the Authority is responsible for the Integrated Ticketing Project (ITS). From the beginning of 2011 the Authority is also administering the national accessibility and regional bus priority programmes on behalf of the Department.

- **Public Transport Projects:** This includes accessibility and traffic management programmes outside the GDA (regional bus priority) and technical assistance relating to monitoring of the Department's capital envelope.
- **Public Transport Safety & Development:** This is for the Railway Safety Programme and for Bus & Rail projects outside the GDA.
- **Public Transport Infrastructure – NTA:** This is capital funding for the NTA including Luas/Metro, bus and rail in the GDA, GDA traffic management/ sustainable transport measures and the ITS Project since September 2010.

Subhead C3 - Public Transport Agencies and Expenses

This subhead provides for funding of the administration costs of the Railway Safety Commission, the Railway Procurement Agency and the National Transport Authority.

- The Railway Safety Commission was established on 01 January 2006 with a statutory mandate to implement the Railway Safety Act 2005, approve safety cases of new and existing infrastructure and operations on the railway network, and investigate and report on railway incidents.
- The Railway Procurement Agency was established under the Transport (Railway Infrastructure) Act 2001 as an independent commercial State body with the responsibility of managing the construction and operation of Luas, to procure new light rail lines and Metro through a number of means including Public Private Partnership (PPP) and to introduce an integrated ticketing system for all public transport, initially in the Greater Dublin area.
- The National Transport Authority was established on 1 December, 2009 under the Dublin Transportation Act 2008. At a national level, the NTA has responsibility for securing the provision of public passenger land transport services. This includes the provision of subvented bus and rail services by Bus Éireann, Dublin Bus and Irish Rail. The Authority also licences public bus passenger services. On January 1, 2011, the Commission for Taxi Regulation (CTR) was also absorbed into the NTA under the Public Transport Regulation Act 2009. The NTA also has responsibility for the development of an integrated transport system within the Greater Dublin Area (GDA).

Subhead D1 - Aircraft Accident Investigation Insurance

This subhead provides for the cost of two aviation insurance policies to:

- indemnify the Minister and the Irish Aviation Authority (IAA) against the cost of claims by third parties for damages arising from aviation related incidents deemed attributable to negligence on the part of the Minister or the Authority in the exercise of their aviation related functions, and
- indemnify the Minister against costs incurred in the investigation of aircraft accidents.

These costs are refunded by the IAA.

Subhead D2 - Regional Airports

This subhead provides for capital and non-capital support for regional airports and regional air services. The primary objective of the subhead is to facilitate continued safe and viable operations at the regional airports and to maintain air access to the regions. There are three financial support mechanisms:

- **Capital Expenditure (Capex) Grant Scheme**
In 2006 the Department launched a capital grants scheme in respect of the period up to the end of 2010. Since July 2008 the focus has been on contractually committed and safety/security related projects. EU approval was secured in 2011 for the extension of the scheme up to December 2014.

- **Essential Air Services Programme (PSO routes)**

EU Council Regulation (EEC) No. 2408/92 of 23 July, 1992 allows Member States to establish Public Service Obligations (PSO's) in respect of scheduled air services to an airport servicing a peripheral or development region where such air services are considered vital for the economic development of the regions concerned and where air carriers are not prepared to provide such air services on a commercial basis.

- **Core Airport Management Operational Expenditure Subvention - (Opex) Scheme**

Based on a PSO contract with each airport, this scheme subvents core airport operational expenditure where this cannot be fully covered by the airport's total revenue streams.

Subhead D3 - Payments to the Irish Aviation Authority in respect of Exempt Services

This Subhead provides funding to reimburse the Irish Aviation Authority (IAA), as provided by the Irish Aviation Act 1993, for the cost of aeronautical communication services and air navigation services provided by the Authority to certain specified classes of airspace users (e.g. military aircraft, State aircraft) which are exempt from paying these charges.

The IAA provides air traffic control and communications services to aircraft that pass through both sovereign and international airspace, which it administers on the North Atlantic.

Subhead D4 - Miscellaneous Aviation Services

This subhead provides for expenditure on consultancies relating to the Aviation Sector e.g. Aer Lingus and the State and regional airports.

Subhead E1 - Maritime Administration and Irish Coast Guard

The subhead provides for the expenditure of the Irish Coast Guard (IRCG), the Maritime Safety Policy Division (MSPD) and the Marine Survey Office (MSO).

- Expenditure for the IRCG covers the operation of a 24/7 helicopter rescue service at four bases around the country; funding of voluntary services of 52 Coast Guard Units based around the coastline; grant aid to Mountain and Cave Rescue Teams and Community Rescue Boat of Ireland (CRBI) Teams; a Ship Casualty and Pollution Preparedness, Prevention and Response Programme, maintenance of the national marine and inland ship to shore communications system and vessel traffic monitoring and related and incidental matters.
- Through MSPD this subhead provides for Exchequer grants towards the costs of the Commissioners of Irish Lights (CIL), the Royal National Lifeboat Institution (RNLI), the Marine Institute (Weather Buoys), cost of provision of

Safe Seas Ireland and Long Range Identification Tracking (SSI/LRIT) systems and an allocation to the Marine Casualty Investigation Board (MCIB).

Subhead F1 - Subscriptions to International Organisations

The purpose of this subhead is to provide for Ireland's financial membership subscription to a number of international organisations e.g. Eurocontrol, International Civil Aviation Organisation etc.

Subhead F2 - Miscellaneous Services

This subhead provides for payment of grants to CIE in respect of redundancy compensation; to provide for payment to the National Standards Authority of Ireland (NSAI) for approval and monitoring of tachograph workshops; and to provide for payments in respect of the Transport 21 Communications Strategy.

Subhead F3 - Cross Border Initiatives

Funding provided for in this subhead includes:

- **Roads:** To provide funding towards the cost of upgrading the A5 road between Derry and the Border at Aughnacloy.
- **Aviation:** This relates to the co-funding with the UK Government of 75% of the cost of a runway safety project at Derry Airport, subject to a cap of €10.87 million in the contribution of the Irish Government.
- **Seaports & Shipping:** To provide 40% of the national match funding for five cross-border projects approved under the Interreg IIIA North South Programme. The projects promoters are the Commissioners of Irish Lights; Drogheda Port Authority; The Irish Central Border Area Network; Londonderry Port and Harbour Authority and the Warrenpoint Harbour Authority. These projects concern research into the area of marine communications and safety at sea and improvement of infrastructural facilities of ports. Under the terms of the programme, 75% of the total grant awarded is provided by the European Regional Development Fund (ERDF), with the remaining 25% provided by match-funding by the State. Of the 25% national match funding, it has been agreed that 60% will be met from the North and 40% from the South.

Appropriations-in-Aid- Subheads G1-12

Breakdown of Income

	Description	2010 Estimate €000	2010 Income €000	Surplus (Shortfall)
G.01	Recoupment for Seconded Staff	450	-	(450)
G.02	Road Transport Licence Fees	1,150	800	(350)
G.03	Irish Aviation Authority Refund of Subscriptions to International Organisations	7,560	7,489	(71)
G.04	Irish Aviation Authority Recoupment of Rents, etc.	305	533	228
G.05	Irish Aviation Authority Associated Costs	2,200	2,361	161
G.06	Recoupment of Costs of IAA Safety Audit	-	-	-
G.07	Miscellaneous Receipts	300	370	70
G.08	Receipts from Local Government Fund	431,000	426,263	(4,737)
G.10	Receipts under the Merchant Shipping and Wireless Telegraphy Act	440	531	91
G.11	Pension Contributions from the CTR	-	25	25
G.12	Receipts from Pension-related Deduction on Public Service Remuneration	3,131	3,605	474
	Total	446,536	441,977	(4,559)

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VOTE 32: Department of Transport

2010 Annual Report of the C&AG and Appropriation Accounts

Chapter 27: Maintenance of Regional and Local Roads

Chapter 27 of C&AG Report – Maintenance of Regional and Local Roads

1. In September 2009, responsibility for the administration of the investment programme was transferred from the Department of Transport to the National Roads Authority (NRA).
2. An exercise was undertaken by the Department in relation to maintenance grants provided to local authorities, the outputs achieved with these grants and the cost per km or per square metre. It found that unit rates can vary greatly between different local authorities.
3. The purpose of the exercise was to establish a cost range for different types of works in differing circumstances in order to achieve better value for money in the future. With effect from 2011, maximum unit rates were set out for local authorities - €5.50 per sq. metre for regional roads and €4.50 per sq. metre for local roads.
4. As part of their role, the NRA requests local authorities to provide unit costs for the maintenance of regional and local roads which are then examined. Estimated unit costs were sought by local authorities in early 2011. These unit rates were reported on in the C&AG report. In December 2011, following the final payments of grants, outputs were sought from local authorities which outline actual unit rates for maintenance works in 2011. These outputs are currently being examined and collated.
5. If a local authority exceeds the maximum unit costs, an explanation will be sought as to the reason for this variation. If a sufficient explanation is not received from the local authority, then the Council's grant is reduced by an amount equal to the excess cost.
6. Following the allocation of 2012 regional and local road grants, a circular has issued to local authorities requesting their road maintenance programmes including their estimated unit rates for the year. If a local authority's estimated unit rates exceed the maximum rates, an explanation will be sought as to the reason for this variation. If a sufficient justification is not received from the local authority, then they will be asked to revise their planned works in order to comply with the maximum rates.

7. It is worth noting that local authorities have been requested to report on unit rates in urban areas separately in order to ensure more accurate reporting across each local authority.
8. Given the various factors involved in surface dressing costs, the Department has not as yet set an overall efficiency target. 2011 was the first full year for the operation of the maximum unit rates and the aim is to track costs and outputs over a period of time to assess the results being achieved.