

Response from Department of Education and Skills
PAC queries raised 10th May 2012

1. *School Transport Allocation (Sub-head B2):*
The 2012 allocation is in fact **€169, 693,000.**

The Secretary General of the Department of Education and Skills is the accounting officer for the Education Vote including Sub-head B2.

It should be noted that an additional estimated €12 million will be raised in 2012 by way of parental contributions or charges. Annual parental contributions are used to offset the overall costs of the scheme.

2. Of the allocation of some €170m, it is important to note that each year the Department of Education and Skills makes *direct school transport grant*, and *school bus escort, payments*. These grant payments enable parents to make private transport arrangements and enable schools to procure school bus escorts at local level to meet the needs of individual children/groups of children.

In 2011, grant payments amounted to approx. €19 million of the total school transport expenditure of some €171.5 million, leaving some €152.5m spent on school transport services.

It is estimated that the comparable figure for school transport services in 2012 will be some €151 million.

3. The independently audited school transport accounts are currently available on the BE and Department of Education and Skills websites. In addition, a separate explanation is provided on the school transport scheme administration heading. It could be more correctly described as a transport management charge and indirect costs.

A copy of the 2010 audited school transport accounts, the latest available, and the explanation of the 2010 transport management charge and indirect costs are attached for information.

4. Bus Éireann operates the school transport scheme on behalf of the Department using a mix of public and private sector vehicles to optimise efficiency and economy. 85% of the vehicles used are provided by private operators, using 3,335 predominantly smaller vehicles than large buses including taxis. The remaining 15% of vehicles used consist of a dedicated BE fleet of some 576 large buses (of which some 490 would be in use on a daily basis).

The 2010 independently audited accounts show that this Department made payments totalling some €162.8 million to Bus Éireann of which over €105 million (or 65%) was in turn paid by Bus Éireann to private contractors to deliver school transport services. This amount is broadly in line with the proportion of children carried on services provided by BE and private contractors under the scheme.

These private contractors are secured following tendering arrangements and detailed procurement processes conducted by Bus Éireann.

5. In a letter of 18th November 2011, a detailed explanation was provided by the

Secretary General, Department of Education and Skills to the Public Accounts Committee in relation to the BE transport administration charge and indirect costs and other matters.

A copy of the full reply to the Committee is attached

6. The 2012 transport administration charge and indirect costs is €15 million. This represents a further rebate by BE to the Department of €1.7 million over the 2011 transport administration charge and indirect costs figure of €16.7million.

The equivalent 2010 figure, as shown in the audited accounts, is €18.2 million which included a contribution to Bus Éireann of €4.6 million.

This contribution provides funds for:

- Specific capital investment in School Transport services and administration for example IT to deliver future cost savings.
 - Portion of general capital investment for example garage equipment that serves all three businesses – Commercial, PSO and School Transport.
 - Reduction of cost base through voluntary severance for schools staff (direct and support).
 - Return to risk associated with School Transport business.
5. The issues in relation to arrangements for the provision of school transport are the subject of a recently initiated legal action against the Department.

A judicial review challenging the School Transport Scheme was admitted to the High Court (Commercial) list on 21st November in the case of Student Transport Scheme Limited vs. Department of Education and Skills with Bus Éireann named as a notice party. The case is scheduled for 10th June 2012. Given that the High Court case is ongoing, any matters raised relating to any aspect of the High Court proceedings are considered to be sub-judice.