

SCHOOL TRANSPORT SCHEME “Admin Heading” – 2011

The Transport Management Charge and Indirect Costs for school transport paid to Bus Eireann has reduced significantly in recent years, falling from €18.7m in 2009, €18.2m in 2010, €16.7m in 2011 and €15m in 2012.

The transport management fee covers

- 1) Some Direct costs
- 2) Indirect support costs
- 3) Indirect regional costs
- 4) Property
- 5) Contribution

An apportionment of the overall company total of these costs is allocated to the School Transport Scheme.

A breakdown of 2011 costs is set out below:

	Actual 2011
	€m
1. Direct Element	3.6
2. Indirect Support	2.8
3. Indirect Regional	4.3
4. Property	2.5
5. Bus Éireann Contribution	3.5
Total	16.7

1. Direct Element

This includes direct costs not included in the School Transport Account, a significant amount of which is for pension costs but also includes other direct costs such as insurance and support, security and development of Information

Technology and Telecoms services. An apportionment of the company total is allocated to the School Transport Scheme.

2. Indirect Support

This includes indirect support costs such as Finance, Human Resources, non payroll costs of School Transport Head Office, PR support and communications, advertising and community sponsorship measures, internal and external audit, corporate governance, legal and regulatory affairs, vetting, training, planning, implementation of plans and review, development of cost saving measures, central industrial relations, disciplinary and grievance procedures, complaints handling, treasury planning, safety and risk planning / monitoring, accident investigation and follow up, strategic direction, severe weather planning and liaison, Irish language, data protection, Gardaí and emergency service liaison, quality of standards setting, ensuring implementation of International best practice, regional co-ordination, etc. An apportionment of the total charge to the company of these costs is allocated to the School Transport Scheme.

3. Indirect Regional

This includes indirect regional costs incurred at the eleven local offices throughout Ireland, which provide services for both road passenger and school transport services and administration which include costs as described above at a regional level and costs such as payroll and procurement, building maintenance, cleaning and security, rates, utilities, clothing, regional training, cash security, health and safety, postage, stationery and printing, telephone costs, Accident and Incident investigation and follow up, industrial relations, disciplinary and grievance procedures, complaints handling, fuel monitoring, severe weather planning and liaison, community liaison, local authority, Gardaí and emergency service liaison. An apportionment of the total charge to the company of these costs is allocated to the School Transport Scheme

4. Property

Property is required throughout the country in order to deliver the service required for the operation and management of the School Transport Scheme.

A significant amount of CIÉ property is placed at the disposal of Bus Éireann for this purpose. An apportionment of these costs is allocated to the School Transport Scheme.

Properties used in the School Transport Scheme are in most cases shared locations used for both the School Transport services and administration and Road Passenger activities. In some locations the properties are also used by both Bus Éireann and Iarnród Éireann/Irish Rail.

In total there are 16 operational / administrative properties and 15 maintenance facilities throughout the country. School Transport is such a significant proportion of the activities of Bus Éireann that in the event that the company no longer operated the scheme, it is likely that all the company's property used for these purposes would have to be reviewed.

5. Bus Éireann Contribution

This 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.