

**Bus Eireann.**

**Business Downturn.**

**Cost Recovery Plan.**

**Inspectors.**

# **Bus Éireann**

## **Business Downturn: Cost Recovery Plan.**

### **Inspectors.**

Since 2000 Bus Éireann has expanded its network of services in line with customer demand, has increased passenger numbers and has been largely profitable. However, as a result of the current unprecedented global economic downturn the Company has experienced a sharp fall in customer numbers. Factors such as:- .

- Less people being employed.
- Less retail sales and less shoppers.
- Reduction in tourists travelling to and around Ireland.
- Less economic activity.

have contributed to this reduction in passenger numbers.

The general economic downturn has affected all business worldwide including Ireland and Bus Éireann's business also. Our revenues declined in 2008 with a 4% reduction in passenger numbers compared to 2007 and with the predicted further significant reduction in demand during 2009, the current cost base must be adjusted in line with this declining demand. There were other factors during 2009 which put Bus Éireann under even more severe financial pressure such as the Supplementary Exchequer Budget which further reduced the total CIE subvention by €10 million, the loss of the Fuel Rebate for the full year amounting to €10 million and the increase in Excise Duty on diesel fuel of 5 cent per litre which cost Bus Éireann a further €1.5 million in a full year. Added to this is the continuing application by our competitors for licenses to the Department of Transport and the issuing of them to cherry pick the best parts of our Expressway and local commuter services.

As a result a Cost Recovery Plan has been prepared to rectify the financial situation and bring expenditure more into line with revenue and this Plan must be implemented forthwith in order to achieve a breakeven position in 2010. Every effort will be made to preserve as many services for our customers and maintain employment as much as possible.

The sections of the Cost Recovery Plan which affect Inspectors are as follows:-

➤ **Service Reductions.**

Cuts in services and curtailments in services across the Network will take place which involves a reduction of 163 vehicles in the Company's road passenger fleet levels and consequent reductions in of approximately 300 positions across all staff groupings.

➤ **Pay.**

Because of Bus Eireann's current financial position, the Company had no option but to defer the pay terms of Towards 2016: Review and Transitional Agreement 2008 – 2009 (Module 2) i.e. 3.5% from 1<sup>st</sup> April, 2009 and 2.5% from 1<sup>st</sup> October, 2009.

This, therefore, involves a pay freeze up to the end of 2010 at which time the situation will be reassessed in the light of the implementation of the cost reduction measures and the Company's financial position.

➤ **Inspectors' Establishment**

There are 136 Inspectors employed in Bus Eireann engaged on Road Passenger and Schools Transport work. This includes 38 exclusively on School Transport duties and a small number shared between road passenger and school transport operations. There are 4 attached to the Central Revenue Protection Unit which means 94 are involved in day to day road passenger operations in depots, bus stations and road duties throughout the country.

- Due to the economic downturn, drop in customer demand, and with advancements of new technology and reduction in services it is necessary to revise the structure and role of the inspector in each area to meet this changing operating environment. A reduction in staff numbers will also be required across all regions to meet the worsening economic crisis as follows:-

<b>Region</b>	<b>Existing</b>	<b>Proposed Reduction</b>
<b>East</b>	30	4
<b>South</b>	41	5
<b>South-West</b>	28	6
<b>West</b>	19	2
<b>North-West</b>	14	2
<b>Central RPU</b>	4	-
<b>Total</b>	136	19

## ➤ **Role of Inspector.**

The duties of Inspectors are not confined to specific tasks or areas and are inter changeable to meet the Company/business needs. Inspectors will also be required to implement changes and monitor the financial performance of the various products. The usual perusal of KPI's will also be necessary to ensure the targets are achieved.

It is necessary for the supervisor to adopt a more proactive role in managing staff and ensuring compliance with legislation, training, financial targets, through the use of information technology etc. The role of the supervisor will be subject to ongoing change and a flexible approach will be required to meet the ever changing market environment which should include the following.

- Full use of updated equipment and information technology.
- Ensure adherence to Working Time/Driving Hours/Tachograph Regulations.
- Monitoring vehicle standards (interior and exterior)
- More varied and flexible rostering arrangements to cover off-peak working including on street supervision as required by the Company.
  
- Greater mobility/interchangeability of Inspectors between Regions and within Regions.
- Depot and yard supervision including Drivers on pre-service vehicle checks.
- Implementation of Drugs and Alcohol Policy.
- Operating within budget and ensuring financial targets are achieved.
- Key Performance Systems, Depot Performance Indicators and individual input.
- Full interaction with Clerical Grades on IT and other working arrangements will be required.
- Full compliance with health and safety legislation.

These lists are examples only and are not all inclusive, and are subject to change to meet the business needs.

The restructuring of Inspectors duties will also take account of the reduction in Driver staffing levels and vehicles which will result in a reduction of the Inspector numbers in the Company as proposed above. A redrawing of rosters will be necessary to reflect the changed hours of coverage and working requirements in each location.

➤ **Flexibilities with other Grades.**

It is essential that work at all levels is performed in the most cost effective way possible. This may involve certain grades or categories of staff undertaking tasks of a different category. This will involve the permanent transfer of tasks such as clerical staff assuming the administrative duties of Inspectors and vice versa. It can also involve duties being undertaken on a temporary basis.

➤ **Revenue Protection.**

All inspectors will be expected to carry out a level of revenue protection duties. Every depot/road based/schools/mobile inspector will also be expected to carry out a number of revenue checks in the course of his or her duty. Inspectors will be required to carry out checks both individually as well as part of a team and to link up with the dedicated revenue unit as required.

➤ **Overtime.**

All inspectors are required to continue to comply with the Organisation of Working Time legislation and accordingly the 48 hour weekly average will not be breached under any circumstances. Rest periods and all other provisions of the legislation will be strictly enforced. In order for the company to comply fully with its obligations inspector's hours (both core and overtime) must be recorded adequately. A number of recording methods will be utilised as appropriate. These will include but are not limited to daily checking sheets, time sheets, booking on systems (both manual and electronic), GPS phones, and electronic attendance recording systems. Inspectors will be expected to cooperate fully with these systems. Inspectors hours and their days work will commence and finish from the time they arrive and leave their designated place of work (as determined by management) which will not under any circumstances be regarded as their domestic residence. Inspectors may have a particular out based location designated as their home depot for the purposes of starting and finishing times.

➤ **Uniform.**

Inspectors who are in public places while on duty must wear their full uniform including the supplied cap at all times. A good example should be set by inspectors in this regard.

➤ **Safety Systems.**

Inspectors are expected to continue to play a full and active part in safety management system both in respect of their own grade and other operative grades. Staff/customer safety and the continued safe operation of the fleet is vitally important. Inspectors will be expected to be fully cooperative with operational and administrative aspects of all safety management systems including nil-defect reporting and planned fleet allocation.

➤ **IT systems.**

Inspectors will be expected to utilise and cooperate with all relevant IT systems as required. This will include, but is not limited to, AVL, Microbus, CCTV, RTPI, and new ticketing equipment – including hand held checking units - as well as other new systems that may come into operation. Certain operations connected with these systems will be carried out by other staff and supervisory staff will continue to provide full cooperation. In particular the pro-active management of operations through the AVL system is a vital requirement. Inspectors will be given specific log-on credentials for certain systems and must use these as designed. In some cases the logging on to a particular system will be regarded as having booked on for work, accordingly this will be closely monitored for compliance. Adequate training and instructions will be provided to inspectors.

➤ **Public Service Contract**

Inspectors will be expected to fully support, monitor and adjust services in line with the company's obligations under the PSC. Inspectors will be made familiar with the requirements of the PSC and will be required to ensure that these are met on a daily basis. Inspectors will undertake any additional duties and/or reporting associated with the execution of the PSC which require supervisory input and meet the Company's Customer Charter criteria.

➤ **Self Certified Illness.**

The self-certified illness scheme is a cost which the Company can no longer afford in these challenging times in its present format and the scheme will be revised. Consequently, any illness absence of any duration in excess of four single days self-certified will have to be covered by a doctor's medical certificate under the Welfare Scheme. These four self-certified illness days cannot be used for absences on more than one Saturday. The Company and the Trade Unions will

undertake to conclude the Absenteeism Control Programme as soon as possible to replace the current programme.

➤ **Ban on Recruitment.**

Because of the necessity to reduce staffing levels arising from the reduced fleet levels/service reductions, there will be a general ban on appointments to replace Inspectors.

➤ **Compensation for loss of earnings.**

Again, because of the current financial position, when changes in work patterns/hours of work occur which result in loss of earnings, claims for compensation for loss of earnings cannot be considered.

➤ **Disturbance Allowances.**

No payments can be made to any staff member who have to transfer to other depots as a result of the restructuring of services.

➤ **Expenses.**

All meal, lodging and outbased relief allowances will be capped at current rates for a two year period – only one meal allowance will be paid to Schools Inspectors as has been normal practice.

➤ **Shift/Rota Allowance.**

Inspectors under current agreements qualify for shift allowance for normal time working when rotating/alternating with a difference of four or more hours in starting time compared to the previous week.

All Inspectors on mobile duties who currently are paid the rota allowance will be required to vary their working day to ensure an acceptable level of supervision is in place while services are in operation at all times.

➤ **Working Patterns.**

There will be new core hours for each rotation. Holiday cover will be at the sole discretion of management and inspectors will be expected to cooperate fully with the coverage requirements during holiday periods. Movement between locations and rotas in a particular region is expected particularly amongst those supervisors who are provided with personal transport by the company.

➤ **Acting Inspectors.**

Full use will be made of Acting Inspectors to fulfill short term and ad-hoc vacancies that arise at all locations as per Inspectors Change Programme Booklet 2000. In addition, Acting Inspectors can and will be used to provide additional training capacity as well as administrative and operational support as required. Revenue protection, training and AVL operations will form part of the operational functions carried out by Acting Inspectors.

➤ **Income Continuance Scheme.**

The full contribution to the Income Continuance Scheme will now have to be met by the employee.

➤ **Voluntary Severance.**

Bus Éireann's financial situation makes the funding of Voluntary Severance very difficult however Inspectors interested in Voluntary Severance should submit expressions of interest to their Regional Manager. No obligation on either party is created by an expression of interest. Expressions of interest can only be considered on a strict business case basis and the savings made must be in line with position saved.

➤ **On-Going Economic Outlook.**

Because of the on-going global economic downturn including Ireland's national economy, which could affect Bus Eireann's market environment, etc., we will have to continue to review the situation on an on-going basis and may have to consider further cost-reducing measures in addition to the current Plan.

**Manager,  
Human Resources,  
Bus Eireann,  
Broadstone.  
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