

22<sup>nd</sup> March 2017.



Dear Colleague,

It is deeply disappointing that the Company could not reach agreement with Trade Unions on achieving the necessary payroll cost savings through the elimination of agreed inefficient work practices that would help prevent insolvency. Based on the current run rate of accumulated losses to the end of February – which is 41% higher than the same period last year - our business will be insolvent within a matter of months.

Numerous clarifications requested by the Unions over the last two months have been provided in a bid to progress the changes to address the critical financial position of the Company. However, this process has not yielded a resolution. Our responsibility to ensure Bus Éireann can successfully address its impending insolvency and ensure it becomes a viable, efficient and competitive organisation – with an ability to survive long term - has not been given the critical regard it deserves. This vital requirement must be acknowledged for any talks to be meaningful.

In this regard, while inefficiencies have been acknowledged and accepted by Unions, there was a refusal at the WRC to accept any reduction of earnings, including unnecessary overtime earnings. In their latest clarification, the Unions have in a very general way, indicated a willingness to negotiate and accept a loss of overtime earnings. However, it is now very clear that this willingness only relates to ad-hoc overtime which amounts to less than €0.5m in a full year.

Given the Unions' current position, there is no prospect of the situation changing and, as a result, no basis for talks reconvening. Difficult decisions must subsequently be taken to safeguard our Company's future – and as I have consistently said, I am committed to safeguarding basic wages and the maximum number of jobs possible. We deferred critical cost measures while at the WRC, but these can no longer be deferred. Maintaining the status quo now is simply not an option.

A review of our Company structure is now almost complete. This will result in job losses in some areas but will also provide opportunities in others. These proposals will be presented to the Board on Monday, March 27<sup>th</sup> next and structural changes will commence at the appropriate time subject to Board approval, and the necessary funding being secured.

The Board of Directors have a fiduciary duty to Bus Éireann and must act to ensure its survival by all appropriate and timely means. Following approval today by the Board, we will now implement changes to work practices that will result in immediate cost savings. A detailed list of the measures\* which we will implement is outlined below - and for the purpose of clarity - include all measures announced in my letter to you on February 27<sup>th</sup> last.

Our concern is underpinned by a genuine belief that Bus Éireann must have the cost structure that will enable it to tender successfully to retain existing, or win, new business.

In 2019 our existing PSO direct award contract will expire and if we are to successfully retain these PSO routes, we must become more efficient.



**Ray Hernan,**  
**Acting Chief Executive Officer**  
**Bus Éireann**

\* These measures do not apply to Part Time School Bus Drivers who are currently engaged in separate process

## Immediate actions to address the critical financial crisis facing the organisation and avoid the threat of insolvency.

The following 46 items will be implemented immediately, however any efficiencies that results in a driver duty or rotation change will be implemented on 2<sup>nd</sup> April. This is to give the agreed 7 days' notice of such a change. All duties and rotations will be made available to Trade Union representatives at local level before Sunday 26<sup>th</sup> March.

- Non-essential spend will be identified and eliminated. This relates to non-payroll items and nothing is excluded.
- Bus Hire; stricter controls have been put in place and the need for pre-authorisation will continue to apply.
- Overtime; all unplanned and un-rostered overtime is banned. We will continue to drive down and eliminate such overtime.
- Recruitment; approval is required in advance from CEO.
- Annual leave; there is no entitlement to carry over annual leave and the Company are stopping this practice. Staff who have un-used entitlements will be scheduled to take it all within the leave year ending March 2018.
- Flexi-time; Staff have been communicated with and accommodation has taken place to agree fixed starting and finishing times to suit the individual and the department in question.
- Driver's hours of work are being averaged on a weekly basis over the duty rotations. This is in accordance with the current union agreement.
- Spare driver utilisation is as per the current union agreement.
- First-user check is a legal requirement and in line with current union agreements. Drivers are required to carry out the first user check.
- Fuel efficiency; activation of Telematics to improve efficiencies and eco-driving systems will take place.
- Absence management; current procedures continue.

### Other cost saving and efficiency improvements

- **Duty efficiency** – all duties will be reviewed to ensure maximum efficiency and compliance with relevant regulations, to include maximisation of driving time.
- **Roster efficiency** – all rosters will be reviewed to ensure that all work is rostered in a way that meets the business needs, fair to all staff and compliance with relevant regulations.
- **DAWT** - all rosters paid according to Daily Average Work Time rules.
- **Roadside bookings/breaks** – Drivers will start, break, restart and finish at designated roadside locations to ensure minimum number of vehicles are used for service and duty efficiency is maximised (on-street changeovers).
- **Appropriate non-revenue travel time** – All non-revenue generating paid travel time (walking, public transport and Driving) will be reviewed and adjusted to reflect average actual journey times.
- **Appropriate loading / recovery time** – Loading time will be reviewed and adjusted to reflect average actual loading, to include recovery time.
- **Unpaid breaks** – The current agreement of 2:45 will be fully implemented.
- **Average late running allowance** – late running payment will be paid based on AVL data only.
- **Work rest day ban** - No rest day working allocation to apply within 3 weeks of a sick day.

- **The existing national agreements supersede all local arrangements. Examples include;**
  - a.) Additional boarded OT outside of planned operation
  - b.) Meal Allowance payments that don't meet qualification criteria
- **Flexible spare planning and daily utilisation** – All roster vacancies will be filled and spare levels for cover will be entirely at management discretion.
- **Single spare cover panel** – Should a panel of spare drivers be required the drivers will be available to cover all reasons of non-attendance. This panel will rotate to include early, middle and late requirements.
- **Out Based Expenses** - All Short term absences (up to 3 days) will be covered as heretofore with the attendant expenses allowances.
  - a. All absences of over 3 days will be covered with spare drivers from the area who have expressed an interest in working from the out-based location. No travel allowance or overnight expenses will be paid in respect of this work.
  - b. Where no spare driver has expressed an interest in working from the out-based location, the junior driver from the spare panel will be allocated the work. Overnight expenses will be paid for a maximum of 3 days per week.
  - c. Reclassification of the Under and Over 64km rule to one class, i.e. all locations
  - d. Elimination of the travel or Out-based Relief payments and replaced with Overnight payments. Overnight payment only to apply.
  - e. Payments for non-working rest-day overnights are not necessary.
  - f. No driver out-based/overnight expenses for travel to out-based locations within 30km of his/her home, irrespective of operating base or period of cover.
  - g. Expenses for first and last day only when relieving any board in out-based locations – whether illness or leave relief.
  - h. The payment of a flat days pay in respect of the first rest day away from home depot will be discontinued.
- **Allocation of duties** – All drivers will be required to work their rostered duties unless a change is approved by the local management
- **Subcontracting** – The Company may on a short or longer term basis subcontract services in order to eliminate or avoid creation of inefficient vehicle or duty workings. To minimise commercial risk, the Company will have the option of sub-contracting on existing or new services.
- **Part-time and Temporary drivers** – Part-time and temporary drivers will form part of the weekly coverage of rosters. A minimum fixed hour working arrangement will be agreed in advance with PT/Temp drivers. Payment will be for revenue hours covered. The Company may on a short or longer term basis utilise part time or temporary staff to avoid creation of inefficient duty workings and/or for staff vacancies.
- **Driving Hours Recording** - Compliance with all Company policy and statutory requirements relating to digital and analogue tachograph recording system in use for all EU driving, non EU driving and other work.
- **On-vehicles Systems** - Use of all on-board IT systems including all new fleet technologies which would benefit the business.
- **SDA Review** - Safe Driving Award Scheme to be reviewed but subject to compliance with Driver check, satisfactory attendance, driving hour's regulations, eco driving/telematics performance.
- **AVL** – All staff will fully cooperate with AVL and any other information technology which the Company may require to include logon requirements, use AVL communication functions, activate customer announcements and report any technical problems.

- **Seat Reservation** – All staff will cooperate fully with all administrative requirements of the seat reservation system and ensure customer satisfaction achieved in this regard.
- **Transfers** - No movement or transfer of newly appointed staff to other group companies until Probationary Period (1 year or longer) is completed.  
No automatic “Seniority right” for a staff member to be a successful applicant for vacancy in another group Company. Suitability of staff member (Based on current file- Absenteeism, Accidents, Customer Complaints, Driver shorts etc.) to be reasonable grounds to refuse application
- **CMO Appointments** - Standard Payment (Hours) agreed for drivers to attend C.M.O appointments.
- **School trips operated by RP drivers** will be transferred to school transport.
- If board working time varies between **winter and summer** it should be paid as per actual working time and not same pay all year round
- No OT payment for training
- No OT payments for staff attending meetings

#### **Additional efficiencies for Inspector Grade Staff**

- No automatic right for Inspector to be allocated rest day work / OT ahead of Acting Inspector
- All unplanned OT to included Rest-day working banned
- Acting Inspector panel will be fully utilised as the needs arise.
- Maximisation of unpaid break of 1hr 40mins to achieve 9+ hour daily spread over period.
- Inspectors who take up secondments to be paid the hours/conditions attached to the seconded work. No automatic right to maintain current earnings if earnings are reduced with secondment, e.g. RP Inspector covering schools
- Acting Inspectors to be paid Inspector allowance per day of Acting up – No requirement to pay full weeks acting up allowance if only covering for a number of days.
- Acting Inspectors can be utilised on half day driving/half day Inspector cover where requirement is for a few hours cover only.
- Full review of Inspectors rosters and rotations to take place in all sections

## Routes Changes

Date	Route	Action	Details
2 <sup>nd</sup> April	X7	Withdrawal of route	The NTA have determined that there are sufficient alternative services provided by other operators and it is not proposed to provide any additional service
2 <sup>nd</sup> April	X12	Service reduction	<p><b>Monday – Sunday</b> Cancellation of 16:30 X Dublin Airport</p> <p><b>Monday – Saturday</b> Cancellation of 20:45 service X Limerick</p> <p><b>Friday &amp; Sunday</b> Cancellation of 18:45 service X Limerick</p> <p><b>Friday</b> Cancellation of 13:00 service X Dublin Airport</p> <p><b>Saturday &amp; Sunday</b> Cancellation of 06:00 &amp; 10:00 service X Dublin Airport</p> <p><b>Saturday &amp; Sunday</b> Cancellation of 05:20 &amp; 11:45 service X Limerick</p>
2 <sup>nd</sup> April	20/X20	Service reduction	<b>Monday to Sunday</b> Cancellation of the 10:30 & 21:30 (20) service X Dublin and X Galway
16 <sup>th</sup> April	21	Withdrawal of route	The NTA are considering amending the existing PSO service 440 and 440a which would result in a doubling of service.
25 <sup>th</sup> June	833	Withdrawal of route	The NTA have determined that there are sufficient alternative services provided by Bus Eireann and Translink and it is not proposed to provide any additional service

Any staff impacted by these announcements will be redeployed.