



Fleet

1163 07

1148 03 Dec

1043 09 Dec

980 Dec 10

940 Dec 11

Cost Reduction Plan

8th June 2012



Break etc

Friday, 8th June 2012

Dublin Bus is continuing to face a challenging financial position due to the ongoing effects of the recession, increased unemployment and reduced consumer expenditure. This has resulted in a 21% decline in passenger numbers and an annual loss of customer revenue of €49 million.

A number of additional factors have further affected Dublin Bus' financial position which include:

- Subvention to the company has decreased by €16.2 million up to 2012 and further reductions have been indicated for the coming years.
- The loss of the fuel duty rebate and an increase in fuel taxes has resulted in further increased annual costs of €14 million.

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In 2009, Dublin Bus began an extensive programme of cost reduction which has yielded €58m per annum and has included a 16% reduction in the work force, 21% reduction in the Dublin Bus fleet and implementation of a pay freeze since 2008.

Despite the intensive efforts at reducing costs, Dublin Bus is incurring additional costs and loss of revenue of approximately €15 million in 2012 as a result of a reduction in government subvention, increased fuel costs, loss of advertising revenue due to the depressed advertising market, and integrated ticketing costs.

Dublin Bus has a responsibility to manage its finances and to take appropriate action to safeguard the economic and financial stability of the company. The plan, which has been presented to employees and trade unions today, seeks to achieve further annual savings of €15 million in order to return to breakeven during 2013 in line with the company's business plan. The plan includes a review of working arrangements across all grades including a reduction in overtime and premium payments, changes to self-certified sickness and the welfare benefit scheme, an increase in the working week for management and administrative staff and a reduction in annual leave.

$$58 + 15 = 73^M$$

The goal of this process is to ensure that Dublin Bus continues to deliver sustainable, funded public transport services which meet the needs of the people of Dublin and provides security for employees. Dublin Bus does not have any immediate plans to reduce basic pay, but this is dependent on successful completion of the plan and general economic and financial trends.

Dublin Bus will continue to strongly promote greater use of our services in order to maximise revenue. A number of improvements have been introduced to Dublin Bus services in recent years including:

- The complete redesign of the network under Network Direct.
- The introduction of Real Time Passenger Information on street and on the Dublin Bus website and Smartphone apps.
- The introduction of the Leap Card in partnership with the National Transport Authority and other public transport operators in Dublin.

Dublin Bus is grateful for the intensive efforts of all employees to achieve improvements to services while substantially reducing costs. Dublin Bus will now initiate a series of meetings with trade unions with a view to reaching agreement on this plan by August 13th.

DRIVE

Costing issues



Dublin Bus

Political Decision

Public perception

Cost Reduction Plan June 2012

Driving Grade

1. Rest day and overtime working

Rest day and overtime working on Sunday will be paid at double time and not double time and a half.

X

Rest day and overtime working on Monday to Saturday will be paid at flat time.

Bank holiday working will be paid at double time.

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2. Incentive schemes

Attendance and safety bonus schemes will be cancelled from 30th September 2012 (safe driving) & 31st October 2012 (attendance)

3. Income Continuance Scheme

Dublin Bus contribution to the income continuance scheme will cease

X X X

O.P.O

4. Welfare Scheme

The welfare scheme for all driving grade staff will be as follows

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No payment for first 3 days of illness.

Reduce first 4 weeks to 70% from 100%

Reduce next 8 weeks to 60% from 70%

Reduce next 14 weeks to 50% from 60%

X X X } M 1.3

Uncertified illness reduced to 2 days from 7 days.

5. Self certified illness /Certified illness/ Annual leave payments

Payment will be made at the relevant flat daily rate and shift.

6. Pension Scheme Rule 29 B

All future appointments to the superannuation pension scheme from the wages grade scheme will be on the basis of future salaried grade pension service only.

7. Travelling time

Duties that start and finish in the same location, including locations outside the depot will not be paid travelling time.

X X X

8. Shift rates

Shift premium will only be paid if the variation in starting times is over 3 hours.

X X X

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9. Late breaks

Where schedules operate with less than an average of 7hrs 38mins, late breaks will not carry an overtime payment until the 7hrs 38mins is exceeded. Once a driver has a minimum of 45 minutes break, they must return on time. ??

10. New driver rates

X X

All new drivers recruited into the company will commence on reduced rates of pay and may be recruited on a four day week basis.

11. First use bus check

Drivers assisting with the driver first use bus check will no longer be required. First use bus check assistants will be covered from the traffic operative, TPO, and Rehab categories.

12. Driver feedback technology

In an effort to reduce fuel consumption and improve overall driver behaviour, the bus fleet will be fitted with driver feedback technology.

13. Schedules

All schedules will reflect current conditions in regard to running time and customer loading.

14. Part-time staff

X

The Company reserves the right to employ part-time staff to cover duties where they cannot be covered by existing staff members within the law. ???

15. Revenue protection

A part time ticket checking unit will be formed from the driving grade to provide additional resources to the revenue protection unit when required.

16. Pay pause

X X

Given the serious financial position of the Company and the need to deliver cost reduction of the Scale required, a further pay pause up to December 2014 will be required.

Craftworker/Engineering Operative Grades

1. Rest day and overtime working

Rest day and overtime working on Sunday will be paid at double time.

Rest day and overtime working on Monday to Saturday will be paid at flat time.

Bank holiday working will be paid at double time.

2. Welfare Scheme

The welfare scheme for craft/engineering staff will be as follows

No payment for first 3 days of illness.

Reduce first 4 weeks to 70% from 100%

Reduce next 8 weeks to 60% from 70%

Reduce next 14 weeks to 50% from 60%

Uncertified illness reduced to 2 days from 7 days.

3. Self certified/Certified/Annual leave payments

Payment will be made at the relevant flat daily rate and shift only.

4. Incentive schemes

Attendance bonus scheme will be cancelled from 30th September 2012

5. Pension scheme Rule 29B

All future appointments to the superannuation scheme from the wages grade scheme will be on the basis of future salaried grade pension service only.

6. Staffing Structure

Further efficiencies will be introduced for engineering operative grade engaged in night servicing to achieve a reduction of 20 operatives. In the future, night servicing will be subcontracted on a phased basis and employment of permanent operatives for night work will cease.

7. New entrant rates of pay

All new entrants recruited into the company will commence on reduced rates of pay.

8. Part-time staff

The Company reserves the right to employ part-time staff to cover duties where they cannot be covered by existing staff members within the law.

9. Annual leave

Annual leave for night operatives on a 4 night week will be capped at 19 days.

Annual leave for other grades will be capped at 23 days.

10. Pay pause

Given the serious financial position of the Company and the need to deliver cost reduction of the Scale required, a further pay pause up to December 2014 will be required.

Engineering Supervisor:

1. Rest day and overtime working

Rest day and overtime working on Monday to Saturday will be paid at flat time

Bank holiday working will be paid at double time.

2. Welfare Scheme

The welfare scheme for all staff will be as follows

No payment for the first 3 days of illness

Reduce first 4 weeks to 70% from 100%

Reduce next 8 weeks to 60% from 70%

Reduce next 14 weeks to 50% from 60%

Uncertified illness reduced to 2 days from 7 days

3. Self certified/Certified/Annual leave payments

Payment will be made at the relevant flat daily rate and shift only.

4. Annual leave

Annual leave will be capped at 23 days.

5. Incentive Schemes

Attendance bonus scheme will be cancelled from 30th September 2012

6. Pension scheme Rule 29B

All future appointments to the superannuation pension scheme from the wages grade scheme will be on the basis of future salaried grade pension

7. Pay Pause

Given the serious financial position of the company and the need to deliver cost reduction of the scale required, a further pay pause up to December 2014 will be required

Clerical Grade

1. Rest day and overtime working

A full review of all overtime requirements will take place.

Clerical overtime in depots on Saturday will cease.

Overtime working on Sunday will be paid at double time and not double time and a half.

Overtime working on Monday to Saturday will be paid at flat time.

Bank holiday working will be paid at double time.

2. Welfare Scheme

The welfare scheme for clerical staff will be as follows

No payment for first 3 days of illness.

Reduce first 4 weeks to 70% from 100%

Reduce next 8 weeks to 60% from 70%

Reduce next 14 weeks to 50% from 60%

Uncertified illness reduced to 2 days from 7 days.

3. Self certified/Certified, Annual leave payments

Payment will be made at the relevant flat daily rate.

4. Working week

The average working week will be increased from 36 hours to 39 hours.

5. Annual leave

Annual leave will be capped at 23 days

6. Pension Scheme Rule 29B

All future appointments to the superannuation scheme from the wages grade scheme will be on the basis of future salaried grade service only

7. Pay Pause

Given the serious financial position of the company and the need to deliver cost reduction of the scale required, a further pay pause up to December 2014 will be required.

8. Staffing Structure

A saving of 8 clerical positions will be achieved through a revised staffing structure at both depot level and in head office.

Executive Grade:

1. Welfare Scheme

The welfare scheme for Executive staff will be as follows

No payment for first 3 days of illness.

Reduce first 4 weeks to 70% from 100%

Reduce next 8 weeks to 60% from 70%

Reduce next 14 weeks to 50% from 60%

Uncertified illness reduced to 2 days from 7 days.

2. Self certified/Certified/Annual leave payments

Payment will be made at the relevant flat daily rate.

3. Working week

The average working week will be increased from 36 hours to 39 hours.

4. Annual leave

Annual leave will be capped at 23 days

5. Pension Scheme Rule 29B

All future appointments to the superannuation pension scheme from the wages grade scheme will be on the basis of future salaried grade pension service only.

6. Pay Pause

Given the serious financial position of the company and the need to deliver cost reduction of the scale required, a further pay pause up to December 2014 will be required.

7. Staffing Structure

A saving of 4 executive positions will be achieved through a revised staffing structure at both depot level and in head office.