

NORTHERN IRELAND TRANSPORT HOLDING COMPANY

Minutes of the Board Meeting held on 22 January 2020 **at 9.30am The Boardroom, 22 Great Victoria Street, Belfast**

PRESENT: **Chris Conway (GCE)**
 Anthony Depledge (AD, Acting Chair)
 Angela Reavey (AR)
 Patrick Anderson (CFO)
 Philip O'Neill (CBCO)
 Hilary McCartan (HM)
 Mark Sweeney (MS)
 Bernard Mitchell (BM)

IN ATTENDANCE: **Gordon Milligan (GM, CCSHR Officer)**
 Priscilla Rooney (GC, General Counsel & Company Secretary)

The Directors of the Northern Ireland Transport Holding Company are also the Directors of all other companies within the Group. As such they are mindful of their responsibilities and statutory duties to each. These minutes record the business of the Group meeting at which matters, factors and decisions relating to individual companies were raised and addressed.

3730 WELCOME AND APOLOGIES

The Acting Chairman welcomed Board members to the first Board meeting of the New Year and noted no apologies.

3731 DECLARATION OF INTERESTS

No interests were declared in relation to the meeting.

3732 MINUTES & ACTION LIST

The minutes of the previous meeting were formally approved.

All actions/decisions arising from the previous meeting were noted.

3733 CHAIRMAN & BOARD BUSINESS

The Board welcomed the appointment of the new DfI Minister, Nicola Mallon.

The Acting Chair informed members, that the GCE and Acting Chair had attended a meeting with the Department and Permanent Secretary on 21 January 2020, and discussed the ongoing funding/budgetary challenges, along with the future appointment of an Interim Chair.

The Board discussed at length their serious concern with regard the current lack of funding commitment, which could put in jeopardy the ability for the Company to continue to operate the current public transport network. The Board considered this position to be wholly unsatisfactory and the continued underfunding had now reached a critical point. The Board agreed that the issue of Going Concern will need

to be discussed with auditors if the funding position is not agreed in the 2020/21 budget.

The Interim Chair, when appointed, will write to the new Minister on behalf of the Board, to further voice their concerns and to request an urgent meeting to discuss funding.

3734 SAFETY REPORT

The Board took the report as read, CBCO noting the following:

- (i) Safety Performance Indicators: In summary, trends were positive in the period, also noting the launch of the new ‘Safe home every day’ campaign. CBCO advised members of the concerted efforts between the Company working closely with external partners, particularly PSNI and Belfast City Council.
- (ii) Significant/Noteworthy: The number of road traffic incidents at Cullybackey crossing continue in period and resulted in train journeys being delayed. While the crossing is well marked with warning signage and speed cameras, a further campaign will be launched with an aim of reducing future incidents and raise public awareness of the risks of level crossings.

3735 GCE REPORT

The Board took the report (and KPI summary) as read, and the Acting Chairman invited the GCE to speak on the following:

- (i) Financial: Revenues are trending above budget. Operating loss for the year is currently adverse to budget, due to adverse operating costs partially offset by an increase in bus passenger journeys.
- (ii) Passenger Journeys: Continue a strong growth trend, 1.5% increase on year to date passenger numbers.
- (iii) Customer Service: Metro services remain the most challenging, largely impacted by Christmas related traffic congestion. MS reiterated that the need for bus prioritisation which would significantly assist with this and positively impact on service performance.
- (iv) Commercial Operations: Nightmover midnight departures on NIR and Goldline proved popular and rail numbers grew by 13% year to date. The Derry/Londonderry services also saw considerable growth.
- (v) Major Capital Projects:
 - a. Belfast Hub – Grahams will commence substantial work site in February 2020.
 - b. Ticketing – CFO is meeting the Acting Chairman this afternoon and will discuss further updates to the Board on progress of the project.
 - c. New Trains 3 – The launch of the new hydrogen bus project bus will take place on 29 January and orders have been placed for micro-hybrid buses for the Ulsterbus fleet and Goldliners.
- (vi) HR: Translink Annual Leadership Conference will take place on 6 February 2020 and the Management Programme recruitment was launched on 9 January 2020.
- (vii) Legal & Governance: Mandatory training is being rolled out across the business to all MPT staff. A number of face to face sessions have

already been delivered and an e-Module is also planned. BM supported this training and reinforced the importance of it for the organisation.

3736 FINANCE REPORT

The Board took the paper as read. The CFO noting the following significant matters:

- (i) The Company have continued to liaise with DfI in seeking additional in-year revenue funding, the confirmation of a suitably baselined and sustainable funding model for 2020/21 and beyond and the resultant restoration and protection of appropriate cash reserves.
- (ii) Ulsterbus - total revenues year to date show a positive trend, reflecting additional Bus PSO and private hire income (mainly due to the Lurgan track relay) offset by reduction in fare paying passengers' income in earlier periods. The Board discussed the adverse variance in operating costs.
- (iii) Metro –Revenues year to date are below budget primarily due to budget assumption on BRT subsidy which has not been received from DfI.
- (iv) NIR – Revenues are adverse to budget primarily due to below budget volumes in fare paying passengers (including impact of Lurgan track relay and below budget cross border concessions).
- (v) The Board discussed the report and the LBE 2, and expressed serious concern in terms of the funding issues and potential reputational damage as a result of lack of sufficient funding on an ongoing basis. Members recalled that since 2015, the Company's resource baseline funding has been severely constrained and has now reached the point which could significantly impact on the Company's ability to continue as a going concern and deliver the high level of service specified in the PSA, which the public expect. Board members reiterated the urgent need for a more sustainable approach to provision of funding of public transport service.
- (vi) The CFO confirmed that the 2020/21 budget would be discussed at the next Board meeting in February.

3737 DFI CORRESPONDENCE

Noted.

3738 AD HOC PAPERS

The Board noted the 2020 Fare Revision paper. Acting Chair requested that GCE bring a short paper to the Board on the Company's fares policy.

3739 MAJOR PROJECTS KPI TRACKER

The Major Projects Tracker was noted by the Board.

3740 MINUTES OF COMMITTEE MEETINGS

The minutes of the Project Oversight Committee meeting held on 17 December 2019 were noted by the Board as read. MS updated the Board as to the headline points from the POC meeting specifically the instigation of a review of all railway structures to be commissioned in agreement with DfI. MS asked the Board to note the DAC which had been approved at the POC for the supply and fit of low adhesion equipment on rolling stock.

The minutes of the Board Audit and Risk Committee held on 4 December were noted by the Board as read. BM noted the excellent presentation by KPMG on their review of the Company's Risk Management, which was very reassuring and all actions were being addressed by management; and the Governance review carried out by PwC which concluded that a mature governance process was embedded within the Company. Recommendations will be addressed by management and the Board updated.

3741 ANY OTHER BUSINESS

None.

3742 DATE OF NEXT MEETING

19th February 2020.

SIGNED: _____ DATE: _____
Chairman (Acting)