

NORTHERN IRELAND TRANSPORT HOLDING COMPANY

Minutes of the Board Meeting held on 19 February 2020 at 9.30am The Boardroom, 22 Great Victoria Street, Belfast

PRESENT: Mark Sweeney (Interim Chairman)
Chris Conway (GCE)
Anthony Depledge (AD, Senior Independent Director)
Angela Reavey (AR)
Hilary McCartan (HM)
Bernard Mitchell (BM)
Patrick Anderson (CFO)
Philip O'Neill (CBCO)

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.

3743 WELCOME AND APOLOGIES

The Interim Chairman welcomed Board members to the meeting. Members expressed their congratulations to the Interim Chair on his recent appointment.

3744 DECLARATION OF INTERESTS

No interests were declared in relation to the meeting.

3745 MINUTES & ACTION LIST

The minutes of the previous meeting were formally approved.

3746 CHAIRMAN & BOARD BUSINESS

The Interim Chair appraised members of the meeting held with GCE and the Minister for Infrastructure, where they discussed in detail the ongoing funding/budgetary challenges facing the Company. The GCE advised that he had explained to the Minister, the urgent need for clarity on the provision of funding for the public transport service. The Interim Chair noted that the Company was a key delivery partner for DfI enabling the delivery of the government's wider out coming including the Belfast Hub - one of the NI Executive flagship projects. Furthermore, the Company aids with progressing a number of the draft Programme for Government outcomes.

The Board discussed at length their continued and serious concerns regarding the current lack of funding commitment, which could jeopardise the Company's ability to operate as a Going Concern and to fulfil its public service obligations set out in the PSA.

AD advised the Board that he would bring the Board Effectiveness survey report completed by PwC to the March board meeting for discussion with members.

GM provided members with an overview and update on the recent cyber-attack. The Board thanked GM and the teams for their managing of the situation which mitigated the ongoing risk and allowed for the continued operation of public transport.

3747 SAFETY REPORT

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

- (i) Safety Performance Indicators: There was no increase in major injuries in the period.

AD provided members with a summary of the highlights from the safety committee, to include:

- (i) The ‘Safe Home Every Day’ campaign – AD commended the SHE team for the excellent campaign and communication, which was developed with front line operational staff and practical briefings to managers. It will form the basis of the Safety Conference in April.
- (ii) Safety Tours – to be scheduled to include current non-executives during their extension period.
- (iii) Public Road Level Crossing: A joint working group has been formed with other interested and relevant stakeholders including, PSNI, DfI Roads and HSENI to help minimise misuse and prevent incidents.

HM requested that Board members were include in the circulation of any future safety campaigns.

3748 GCE REPORT

The Board took the report (and KPI summary) as read, and the Interim 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 additional operating costs partially offset by an increase in bus passenger journeys.
- (ii) Passenger Journeys: Continue a strong growth trend, 70 million to date, which equates to 1.9% increase on year to date passenger numbers.
- (iii) Customer Service: The rail network experienced some additional delays during the period, the most significant being a tragic incident at Dunmurry on 31 December, a downed NIE power cable near Lurgan in early January and the impact of Storm Brendan.
The Interim Chairman noted that tree management was a matter of discussion at the Safety Oversight Committee and he was reassured at the amount of planning and work that the teams carry out to ensure the significant number of trees along the network are managed safely.
- (iv) Major Capital Projects:
 - a. Ticketing – CFO will organise a Board presentation in due course.

3749 FINANCE REPORT

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

- (i) Metro - Revenues in Metro year to date, are below budget, primarily due to BRT subsidy budgeted and not received from DfI. The Company are continuing to liaise with DfI in seeking the required additional in-year revenue/concessionary fares funding.
- (ii) Ulsterbus - The Board discussed the adverse variance in operating costs.
- (iii) NITHCO – Car park revenues are below budget, mainly due to the reduction in income received during the refurbishment works at Hi Park and Donegall Quay.
- (iv) Draft Budget 2020/21 – The CFO guided members through the summary budget paper, in preparation for a more detailed presentation covering the Corporate Planning period at the March board meeting.
The proposed draft budgetary figures and fundamentals have already been presented to DfI.
The Company's cash reserves have been significantly depleted over recent years. The CFO reminded Board members that the Group's Treasury Management Policy outlines that the Group should have sufficient liquidity to meet its working capital requirements.

The Board discussed the draft budget summary and further expressed serious concern in terms of the continued and very significant deficit in funding and potential risk of reputational damage as a result of the lack of appropriate funding on an ongoing basis. Board members reiterated the urgent need for a more sustainable approach to the provision of funding for public transport.

The Board reflected on the recent approaches made to the Minister in this regard. The GCE informed members that the Minister had assured them of her commitment to public transport. The GCE and Interim Chair agreed with the Minister that they would write to the Finance Minister and raise their serious concerns regarding the funding situation.

The Interim Chair reminded members of the Bi-Annual meeting with DfI on 18 March and proposed that the matter of long term funding, budget and the Going-Concern statement in the year-end accounts was further discussed at that time. HM suggested that a clear timeline regarding funding should be sought from DfI. BM cautioned the need for the Board to consider future scenario planning if funding confirmation was not imminently forthcoming.

3750 DFI CORRESPONDENCE

Noted.

GM provided members with an update in relation to preparation for a potential coronavirus outbreak, including having weekly updates with, and taking guidance from the Public Health Authority and updating its business continuity plan.

GC advised members that an initial meeting had taken place with DfI in relation to the new Partnership Agreement and action points allocated. Updates will be provided to the Board throughout the year and further inputs sought from members at the appropriate juncture.

3751 AD HOC PAPERS

None.

3752 MAJOR PROJECTS KPI TRACKER

The Major Projects Tracker was noted by the Board.

3753 MINUTES OF COMMITTEE MEETINGS

The minutes of the Project Oversight Committee meeting held on 21 January 2020 were noted by the Board as read. MS updated the Board as to the headline points from the POC namely, the next phase of the Weavers Cross regeneration project will be the procurement exercise for a Development partner and planning phase.

Proposed revisions to the POC terms of reference would be submitted to the Board for approval in due course.

The summary report of the GRPC meeting held on 5 February 2020 was noted by the Board as read. The proposed revisions to the GRPC terms of reference would be submitted to the Board for approval in due course.

3754 ANY OTHER BUSINESS

As the current ‘Get On Board’ worked towards 2021, the GCE and Interim Chair shall arrange a Board Strategy Day, where members will consider the strategy for the next 5 years.

3755 DATE OF NEXT MEETING

18 March 2020.

SIGNED: _____ DATE: _____
Chairman