

NORTHERN IRELAND TRANSPORT HOLDING COMPANY

Minutes of the Extraordinary Board Meeting

5 April 2023 | 3.30pm | 3rd floor Boardroom, 22 Great Victoria Street, Belfast and Microsoft teams

PRESENT: Michael Wardlow, (*Chair*)
 Chris Conway (*GCE*)
 Gordon Milligan (*CHRO*)
 Patrick Anderson (*CFO*)
 Mike Brown (*MB*)
 Marie Mallon (*MM*)
 Sharon O'Connor (*SO*)
 Tzvetelina Bogoina – Seenan¹ (*TBS*)

IN ATTENDANCE: Shauna McAuley, Acting *General Counsel & Company Secretary (GC)*

GROUP STATEMENT: 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.

4162 WELCOME AND APOLOGIES

The Chair welcomed members to the meeting and noted an apology from Edward Wills (*EW*).

4163 DECLARATIONS OF INTERESTS

None.

4164 CHAIR AND BOARD BUSINESS

The Chair thanked all Board members for their attendance at the Extraordinary Board Meeting.

4165 BUDGET PRESENTATION BY CFO

The CFO provided a recap of the 2022/23 budget versus LBE2 highlighting that LBE2 is currently better than budget, despite inflationary pressures in utility costs and wages. The positive budgetary position has largely been due to increased passenger journeys.

The 2022/23 year also saw in year efficiencies generated.. Notwithstanding those efficiencies, it was noted that cash reserves have been significantly depleted at

¹ Senior Independent Director

close of 2021/22. This is in line with what was budgeted but is below the Group's minimum threshold.

The CFO presented an overview of the expected minimum net funding requirements for 2023/24, based on revenue assumptions and minimal inflationary pressures. This figure is an improvement from the position presented to the Board in February 2023. The CFO also noted the requirement figure positioned by DfI.

4166 CORRESPONDENCE FROM DFI

GCE indicated to the Board that correspondence had been received today from DfI. The Chair permitted the inclusion of the correspondence. The GCE provided a synopsis stating that final budgets had not been agreed between DoF and DfI and therefore, no capital budget had been agreed yet. On resource funding, the GCE noted that DfI had positioned a planning envelope for 3 months, this is based on an annual subsidy requirement submitted by DfI to DoF, which is the culmination of the significant and positive engagement with DfI on budgets over recent months. However, DfI highlight in their letter that this is only a planning envelope until a budget outcome is known. It was recognised that such restrictions may impact significantly upon the PSA.

4167 BOARD DISCUSSION

Following the presentation and review of correspondence received from DfI, the Board had a detailed and involved Q & A session. The Board acknowledged the good work by both Translink and DfI in the difficult circumstances. Significant concerns however were raised regarding the critically low levels of cashflow, which fall short of the minimum threshold and the potential impact of later supplier payments on the Group's reputation.

The Board also probed the realistic nature of the funding requirement. In particular, the limited contingency for inflationary pressures on pay and non pay budgets having regard to the current economic climate and the revenue assumptions.

Serious concerns were raised regarding the resource planning funding and the ongoing future funding of the public transport network particularly in the absence of any capital funding certainty or revenue funding visibility beyond Quarter 1 2023/24.

The Board noted their legal obligation to promote the success of the Group, to exercise independent judgement and act with reasonable skill, care and diligence. The Board emphasized the need for the current funding position to be resolved to enable them to continue to fulfil their duties.

ACTION: GCE to arrange a meeting with permanent secretary, Chair and Chairs of POC and GRPC to discuss concerns and prepare a response to DfI correspondence.

ACTION: CFO to prepare cashflow statement to be considered at Board meetings going forward.

AOB

It was noted that DfI have approved the FBC in respect of the Weavers Cross Development. Final approval is now awaited from DoF following which an announcement of the preferred bidder will be made.

4161 DATE OF NEXT MEETING

26th April 2023.



SIGNED: _____ **DATE:** 29/4/2023
Chair