# **NORTHERN IRELAND TRANSPORT HOLDING COMPANY**

## Minutes of the Board Meeting

## 20 March 2024 | 9.30am | Boardroom, 22 Great Victoria Street, Belfast

## PRESENT: Michael Wardlow (Chair)

 Chris Conway (*GCE*)(*part*)

Marie Mallon (*MM*)

Sharon O’Connor (*SO*)

Mike Brown (*MB*)

**APOLOGIES:** Edward Wills (*EW*)

**IN ATTENDANCE:** Ronan Doherty, *Acting Chief Financial Officer* (*CFO*)

Jacqui Kennedy, *Chief People and Corporate Services Officer* (*CPO*)

Priscilla Rooney, *General Counsel & Company Secretary* (*GC*)

David Cowan, *Director of Commercial Operations* (DC)

John Glass, *Director of Infrastructure and Projects* (JG)

Ian Campbell, *Director of Service Operations* (IC)

Kerry Melville, Boardroom Apprentice (KM)

**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.

**4290** **WELCOME AND APOLOGIES**

The Chair welcomed members and attendees to the meeting and noted one apology. GCE to join later in the meeting following attendance at the Infrastructure Committee.

**4291** **DECLARATIONS OF INTERESTS**

None.

**4292 MINUTES AND ACTION LIST**

The minutes from the 21 February 2024 meeting were approved and actions completed.

**4293** **SAFETY MOMENT**

The Chair shared a personal safety moment with the Board reflecting on the potential dangers of complacency. Members discussed the importance of ensuring that safety messages are refreshed.

**4294 SAFETY**

The report was taken as read with the CPO highlighting the following salient points:

1. Safety Performance Indicators: There were 2 major injuries in the period. Statutory Reportable Events increased by 3 this period. Passenger injuries remain below target. Vehicle collisions were slightly above target and the Group is running reviews at 3 depots focusing on developing improvements to site, vehicle and driver safety.
2. Noteworthy/Significant incidents: A bus (with no passengers) collided with a lorry. The driver of the lorry died from the injuries sustained. IC advised that the PSNI investigation is ongoing.
3. Near Miss: A contractor undertaking works overnight continued to use equipment adjacent to a live track outside of the permitted time. No collision occured however the matter was report to the RAIB. RAIB are not pursuing the matter however the internal investigation is ongoing and results will be shared with RAIB and HSENI. The CPO noted the positive open safety culutre in the organisation.
4. Safety Conference: Taking place on 2 May, Board members are welcome.

**4295 GCE REPORT**

The Board took the paper, KPIs, and Major Project Summary as read with the following matters highlighted:

1. Financials: CFO noted the underlying Group performance for the year to date is an operating loss of £22m, primarily due to DfI funding, industrial action impact, offset by operating cost improvements.
2. Passenger Journeys: Journeys were 1.5m below budget, largely due to industrial action which impacted cross border services.
3. Service Operations: IC commented on the positive bus punctuality performance. Rail punctuality was impacted by delays due to adverse weather and network delays on the Irish Rail network.
4. Infrastructure and Projects: JG highlighted to the Board the imminent track closures over Easter as the Belfast Grand Central station track works commence. He also assured the Board that the capital allocation would be spent in full by year end, and a 4-year capital plan had been submitted to DfI. Work continues to manage the uncertainty in infrastructure funding.
5. Commercial Operations: DC summarised the themed campaigns for Spring and Easter across the network, as well as some of the engagement planning in the North West at the Jazz Festival and Foyle Maritime Festival, focusing on the Belfast Grand Central and Zero Emission vehicles. The network planning team have been working on assessing the potential disruption in Belfast due to street works relating to Grand Central construction, this includes substantial work in changing routes, stops and terminus points.

The Board discussed the extent of the necessary disruption and planning required.

**ACTION:** DC to provide a draft of the passenger/public communication to the Board regarding the timing and plans for the disruption when available.

1. Major Projects: Ticketing – DC updated the Board to progress. The Business Case for reappraisal was prepared for submission to DfI. Plans are progressing for the remainder of Ulsterbus new ETM machines and contactless payments. Progress is monitored daily, weekly (with Translink SRO/Flowbird CEO).

MB provided an update to the Board of the POC consideration of the revised Business Case for the ticketing project. MB noted that POC reviewed a detailed paper and had a subsequent discussion in depth, and as a result POC recommended approval of the business case for the additional funding.

**DECISION:** After a recommendation by POC, the Board approved the updated Business Case for the ticketing project was submitted to DFI.

The Chair attended the Ulster in Bloom event and was impressed by the work and civic pride demonstrated by staff. MB described his visit to Belfast Grand Central and the great progress that the team were making. He cautioned to members that large capital construction projects come with a high degree of risk at this stage of the delivery, particularly were specialist sub-contractors come on board. He explained the complexity of systems integration and operational systems and the extraordinary amount of work involved but assured the Board that this was the ‘normal’ pathway to commissioning a project of this scale. SOC expressed her enthusiasm as the regeneration that the station would provide to the city.

**4296 CFO REPORT**

The CFO’s report was taken as read with the following highlighted:

1. Period 11: The Group’s operating loss YTD is adverse to budget loss of, primarily due to a reduction in DfI funding (allocation of £19.7m reduction in funding for the year and offset by additional inyear funding of £10m) and lower passenger numbers due to industrial action in December, January and February. Operating loss in P11 is favourable to LBE 2 primarily due to additional in-year funding from DfI of £4m.
2. Capital Expenditure: DfI funding has increased from £270.7m to £274.7m and whilst anticipated spend is inline with the funding, risk for further upward pressure on exisitng committed projects remains and any new commitments will be carefully monitored in terms of affordability both in year and going forward.

**4297 CPCSO REPORT**

The CPCSO report was taken as read with the following significant matters noted:

1. Employee Relations: The pay offer of 5% plus a one off non-consolidated payment of £1500 was rejected by a number of staff groups. A constructive meeting took place with the trade union officials to discuss next steps.

The Board discussed future pay negotiations and the need for Translink to retain its flexibility as a public corporation in such negotiations with their staff.

1. Holiday Pay: Over 3000 potential claims relating to Translink employees have been received by the Employment Tribunal. A detailed briefing paper has been provided to DfI to provide them with the background. At present the extent of the potential quantum remains unknown.
2. Learning and Development: Translink’s Elevate management development programme has been launched in conjunction with UU.
3. EDI: A programme of International Women’s Day events took place over the month.

**4298 DFI CORRESPONDENCE**

The DfI correspondence was taken as read.

**4299 MINUTES OF COMMITTEE MEETINGS**

Summary report of the GRPC meeting held on 20 March 2024 was noted and taken as read, the following highlighted by MM.

* TOR are to be reviewed and considered by the Committee.
* The recruitment of a new CFO would recommence imminently.

Minutes of the meetings of the POC held on 20 February 2024 was noted and taken as read.

**4300** **AD HOC PAPERS**

*Presentation on Metro Service Performance Overview and Action Plan* - Philip Woods joined the meeting and presented.

The Board congratulated Philip on an excellent presentation which highlighted the need for bus priority to assist with the customer experience on Metro and Glider, the increased use of data across operations to information decisions, and the benefits of a working group with DfI (Roads). The Board were assured by the review and action plan.

Philip Woods left the meeting.

MM left the meeting.

KM left the meeting.

GCE joined the meeting.

**4301 BUDGET PAPER AND CORPORATE PLAN**

*Presentation on the 2024/25 Budget and Outline Corporate Plan:* The CFO asked the Board to note that the Group was awaiting confirmation of its 2024/25 revenue and capital funding allocations from DfI but for the purpose of the budget exercise it had been assumed that the baseline DfI revenue funding of £153.3m, inline with current total received for 2023/24, would roll into 2024/25.  The overall funding which Translink need to receive in order to break even in 2024/25 is a combination of this funding assumption plus the operating loss of £19m, and therefore a total funding allocation of £172.2m.

The CFO outlined the other key components of the budget paper. Regarding pay, he highlighted that the budget was prepared at a time when the latest wage offer has been rejected by the majority of staff and in the absence of further information, had been prepared on that basis. It also relfects the impact of current inflationary pressures on the Group’s cost base and the delay in implementation of the fare increase due to ongoing industrial action/wage negotiations.

The budget reflects a further reduction of the Group’s cash reserves in 2024/25, based on flat allocation of resource funding from DfI, to a level below the minimum recommended threshold under the Treasury Management policy.

The CFO emphasised the ongoing and acute challenges presented by the continued incremental, one-year budgeting and funding model, particularly in the Group’s supply chain and in managing long term infrastructure projects. The consequences of implementing a new ‘whole life’ steady state approach to asset management is reflected in the budget and includes costs directly to address the historic maintenance backlog.

The Board discussed the key underlying assumptions made within the paper and the sensitivity analysis thereto, as presented by the CFO.

The Board had an engaging Q&A session and commended the hard work of the finance team in preparing the draft budget and corporate plan. The CFO sought the Board’s approval of the 2024/25 Budget and Outline Corporate Plan.

**DECISION:** The Board confirmed approval of the 2024/25 Budget and Outline Corporate Plan.

Following approval by the Board, the CFO will deliver the proposed Budget and Plan to DfI.

**4302** **AOB**

GCE updated the Board on his attendance at the Infrastructure Committee.

The Bi-Annual Ministerial Accountability meeting will take place following the next Board meeting, along with a tour of Belfast Grand Central Station.

**4303** **DATE OF NEXT MEETING**

24 April 2024

**SIGNED:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **DATE**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Chair