
Delivering for today's journey: designing for tomorrow's...

THE TRANSLINK CORPORATE PLAN 2015/16 – 2017/18 & BUSINESS PLAN 2015/16

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The Translink Corporate Plan 2015/16 – 2017/18 and Business Plan 2015/16

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VISION

We have a customer-centric vision: We will provide integrated travel solutions that are attractive, sustainable and good value.

VALUES

The corporate values guide the development and choice of strategies to realise the corporate vision, deliver corporate objectives and relevant government policy. These values, which shape and define the culture of the organisation, are:

SAFETY

Safety is paramount. High standards are maintained for customers, employees and the general public.

PEOPLE

Our people make the difference in the service our customers receive. We want to provide an environment to attract, retain and motivate the best.

COMMUNITY

Our services enrich the economy, the environment and the life of communities in a sustainable fashion. We want to be a good neighbour.

GOVERNANCE

Not only is this about control and accountability but identifying and achieving objectives.

OBJECTIVES

To deliver our vision of customer focused growth whilst shaping up for the future:

- to continue to improve bus and rail services
- to make best use of all our assets
- to enhance the commercial aspects of our services

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These objectives are quantified in the Regional Transportation Strategy (RTS) / Belfast Metropolitan Transport Plan (BMTP) targets and corporate Key Performance Indicators.

01 INTRODUCTION

This corporate and business plan has been developed within the context of significant funding reductions from the Department for Regional Development (DRD).

The level of public funding received by Translink for the provision of bus and rail services was cut by £13m in 2014/15, equivalent to approximately 17%.

A further reduction of £2.4m is planned for 2015/16, bringing the overall reduction in funding to a total of £15.4m or 20%.

The plan includes efficiency measures and cost reductions, along with above inflation increases in fares and significant reductions in service delivery, focused on loss making routes.

These actions are necessary to manage the commercial and financial sustainability of the Translink Group. Delivery of these measures will mean reduced public transport services to the Northern Ireland public. Thereafter, a necessarily increasing

commercial programme of activity is summarised, focusing on future growth in the number of passenger journeys.

This plan and Translink's performance are consistent with the direction and objectives of Government policy, which envisages enhanced provision and increased use of passenger transport in Northern Ireland, albeit within the constraints of a very challenging public funding situation. Translink is delivering government passenger transport targets through a combination of product development, innovation and value for money.

02 HIGHLIGHTS IN 2014/15

Despite the reduction in funding received from DRD in 2014/15, the employees of Translink continued to deliver considerable success over the last 12 months and the organisation is well placed to continue to increase numbers of customers on the more commercial parts of the network: NIRailways, Enterprise, Metro, Goldline, Park & Ride and Airport services.

A managed and sustainable in-year reduction in funding was possible as Translink is efficient and focused on giving our customers an excellent, value for money choice. This is a reflection of the commitment and professionalism of all our people who give our customers the service that will keep them coming back and make Translink the better choice for those who do not yet use our services.

Highlights

Selected highlights in 2014/15 include:

- The number of fare paying passenger grew by 480,000 (1.1%) above 2013/14; during the last three years the group has gained an additional 2.8 million or 6.6% fare paying journeys. All fares were frozen for 2014 and Translink's passenger's charter results continued to show passenger satisfaction at all time 'highs'.
- Park & Ride usage is growing across the bus and rail network, new developments are now in place at Dundonald, Tamnamore and Jordanstown and a large bus based facility at Ballymartin on the M2 is under construction.
- A footbridge was constructed at Moira rail halt.
- NIRailways and Ulsterbus successfully carried thousands of additional passengers on special and scheduled services to and from many major events through the year, most notably the Giro d'Italia, the Balmoral Show and major sporting events in Dublin. In addition, Translink supplied 90 buses with operational, engineering and supervisory staff to provide transport at the Commonwealth Games in Glasgow.
- Translink digital, customer information, social media and e-commerce activity continues to develop and grow in popularity among passengers.
- A Smartlink ticket for annual commuter passes was introduced (aLink) and mobile phone ticketing (mLink) on NI Railways was enhanced. New handheld ticketing equipment is now used by on train staff and the use of contactless bank cards will soon be introduced on board trains.
- Goldline and Metro services were enhanced; capacity and frequency were improved on selected routes. 79 new buses were introduced to the fleet; 37 single deck for Metro and Ulsterbus and 42 double deck for Metro.
- A Translink Best Value Sales Team visited 275 venues from September 2014 selling travelcards and telling passengers how to save money.

03 BUDGET/ FUNDING CONTEXT

In 2014/15, in order to address a 4.4% reduction applied to the DRD's budget baseline, Translink's funding was cut by £13m or 17%. The Group was required to operate at a loss funded from reserves.

For 2015/16 Translink has been asked to consider the measures necessary and associated impacts of a reduction in funding to £60.8m, reflecting a reduction of £15.4m or 20% from that received in 2013/14. This indicative baseline of £60.8m includes £40.1m of funding for concessionary fares. These budget reductions include cessation of the bus fuel duty rebate and a reduction in the rail subsidy.

Translink will respond to this reduction in funding through efficiency savings such as: early reductions in senior and middle management levels, reorganising bus engineering facilities and reductions in areas of general administrative expenditure. However, a £15.4m reduction in funding will inevitably lead to a combination of increased fares and, potentially, reductions in (and the cessation of) some bus services and a reduction in the frequency of selected rail services. These will focus on the least profitable routes.

In addition, while fare levels in Northern Ireland are below those in Great Britain and the Republic of Ireland, given the scale of the funding reductions an above inflation increase in fares later in 2015/16 will be inevitable. Not to do so would only increase the extent of service delivery cuts required or add to unsustainable losses; there are significant limits on the extent to which Translink can run at a deficit without facing going concern issues about the future viability of the Group.

In general, cost reduction measures available to Translink are limited due to the scale and nature of running costs. The company has almost 4,000 employees of which 3,197 are frontline staff, including 1,972 bus and train drivers. The 'pay bill' in 2014/15 was £134.6m, representing 65% of total annual running costs. Significant savings cannot be made in staff costs without an adverse impact on service delivery. Staff savings cannot be realised quickly and additional funding will be

required by the group to support voluntary exit schemes.

However, the plan continues to advocate policy measures which relatively speaking are not capital intensive but are supportive of the effective delivery of an optimal network of services, growing the use of passenger transport services including:

- Strategic land use/planning policy which is supportive of or prioritises bus and rail.
- The creation of a significantly increased number of Park & Ride facilities:
 - > on all main corridors in Belfast;
 - > at rail stations and halts;
 - > at strategic transport nodes / interchanges.
- Car parking policy and tariffs which discourage 'all day' parking in Belfast city centre in particular and in town centres generally.
- Bus Priority as part of quality bus corridor schemes but also on a stand alone basis.

04 RESPONSE TO DRD BUDGET 2015/16

Translink's programme of activity in the first instance responds to the reduction in funding received from the DRD in a manner which does not damage the business in a financially unsustainable manner.

The overriding concern has been, as far as possible, to protect front line services as we support the principle of making public transport services as widely available as possible. However, a reduction in funding of this magnitude cannot be made without a direct impact on front line services. To provide some context, the £13m cut in funding experienced in 2014/15 equates to the:

- total employment costs of Translink's entire complement of executive, managerial, professional and technical staff;
- cost of fuel for the entire NIRailways and Metro fleets;
- employment cost for approx. 550 bus drivers.

In seeking to minimise the impact on front line services, the scope for achieving efficiencies in the organisation was first considered, followed by fare increases

and finally service adjustments. Income generation opportunities have also been considered, for example, the Olympic and Commonwealth Games provided opportunities for maximising revenue in 2012 and 2014. However, no events of this scale are planned for the 2015/16 year.

It is acknowledged the budget for NI in 2015/16 places considerable constraints on Translink's ability to deliver the overriding DRD policy imperative, which envisages enhanced provision and more use of passenger transport in Northern Ireland. This Corporate Plan has been developed within these constraints with the objective of focusing resource on business growth while protecting, as far as possible, services, employment and integration while delivering good value and good governance.

This Corporate Plan and programmes of work will embed investment in the services we offer to our customers, maintain

passenger numbers and maximise revenue as far as practical while optimising our offering in line with customer needs and available funding.

4.1 Efficiency

In the 2015/16 year we will target achieving efficiency savings of £3.1m through savings in the number of management, administrative and clerical staff employed while minimising impact on service scope or quality. This equates to around 15% of the total employment cost of the entire complement of executive, managerial, professional and technical staff in Translink. This is a challenging target, not least, taking into account the time necessary to implement organisational restructuring, employee engagement and consultation while taking account of mandatory safety validation in connection with Translink's safety management systems and operator licences.

Implementation will include reducing the size of the Translink Executive team, no salary increase for key senior executives and other efficiency initiatives at a senior management level. These can be achieved without impacting on front line services and follow previous efficiencies that have already been delivered over a sustained period.

4.2 Fare increase

A fare increase is planned for late 2015/16 (this includes application of the proposed increase to schools with the resulting impact on the schools budget). This fare increase is in addition to the increase that was implemented in February 2015 and will necessarily be above the rate of inflation. We have considered raising fares prior to any service adjustments as we consider it preferable to maintain services, albeit at a higher cost to passengers, rather than reducing services. The targeted increased revenue broadly derives from a headline fare increase of approx. 5%, delivering an assumed yield of approx. 3%.

4.3 Service reductions and reorganisation

In addition to the efficiency savings and fare increase addressing the £15.4m reduction in funding, further savings will derive from service reductions and business/network reorganisation along with an increased budgeted loss in the 2015/16 year.

Implementation of the service reductions was planned for July 2015 however the Minister has requested a deferral of these changes for three months pending a review of alternatives. While this has been facilitated, the budgets in this plan reflect a reduction in services outlined in sections 5.1.1 and 5.1.2.

The underlying principle for the evaluation of options for service adjustments and reorganisation is to minimise the impact on the greatest number of passengers. We also assume that we maintain our current commitment to the schools contract and that school services remain unchanged. Where services are being reduced we commit to extensive consultation with users and stakeholders.

To enhance efficiency and minimise impact on passengers, we have targeted those routes which incur the greatest losses (primarily as a result of carrying fewest passengers). It is recognised that these services are socially necessary but in all cases they do not cover the direct costs associated with providing the service and as a result are loss-incurring routes. It should be noted that we have reviewed all cross-subsidised routes as part of this exercise. The details of the services affected to deliver targeted cost reductions are outlined in Section 5, Programmes of Work.

4.4 Manpower reductions

It is envisaged that there would be approximately 140 job losses as a result of the above proposals. It should be noted that the savings highlighted also include reduced costs (e.g. fuel, maintenance) as a result of reductions in overall fleet size.

4.5 Financial position

Table 1: Group Net Assets opposite is a summary of the movement in Group net assets to 31 March 2016.

Table 2: Group Net Cash opposite summarises the forecast Group net cash position to 31 March 2016.

The estimated working capital requirement is approx. £15m.

The forecast cash balance at 31 March 2016 is adequate to meet the self-funded investment requirement of 2016/17 of £6.4m based on DRD capital funding of £65.7m for that year including an additional £8.4m for the work on the Coleraine to Derry/Londonderry line. Further details of the capital plan are shown later in this document.

The statutory accounts for the year ended 31 March 2015 will be signed off on a Going Concern basis. This position would be strengthened further if the Public Service Contract was agreed and signed.

Given the significant reduction in cash reserves at 31 March 2015 there would be little or no scope for further self-funded capital investment. Section 6, Financial Plans, contains detailed financial schedules.

1. Group Net Assets

	£ million
Consolidated Balance Sheet at 31 March 2014	25.0
Actual loss before tax for 2014/15	-8.5
Estimated tax charge	1.1
IAS 19 Pension adjustment	-57.0
Derivatives charge	-6.9
Per Consolidated Balance Sheet at 31 March 2015	-46.3
Budget loss before tax for 2015/16	-14.2
Estimated tax charge	0.0
IAS 19 Pension adjustment	0.0
Derivatives charge	0.0
Per Consolidated Balance Sheet at 31 March 2016	-60.5

1. Tax charge in the Plan for 2014/15 is estimated and with further losses in 2015/16 the charge in that year has been assumed to be minimal.
2. No further IAS 19 adjustment or derivatives charge have been assumed for 2015/16.

2. Group Net Cash

	£ million
Forecast balance at 31 March 2015	39.6
Forecast loss for 2015/16	-14.2
Net depreciation charge	4.7
Self-funded capital investment	-8.4
Other movements	3.8
Forecast balance at 31 March 2016	25.5

05 PROGRAMMES OF WORK

Notwithstanding the major impact of the funding reductions in 2015/16 and later years, a significant enhancement of the rail timetable and partial enhancement of the Goldline and Metro timetable in recent years, along with additional bus priority measures, investment in Park & Ride and fleet replacements, means passenger numbers are strong.

It is planned to maximise the investment in increased rail passenger capacity and deliver a rolling programme of improvements on the Metro, Goldline Express Coach and Ulsterbus networks following completion of a strategic review in 2014/15 (the 'Bus Development Programme').

The target is a sustained growth in passenger numbers and enhanced commercial performance. However, projects below are subject to agreement on the group's capital plan.

The level of Translink self-funding in 2015/16 is currently forecast to be £8.4m excluding Belfast Rapid Transit and the Hub, both of which are excluded from the Plan. The level of self-funding in 2016/17 is £6.4m. The current capital plan is dependent on confirmation from DRD of the assumed capital funding, which is shown in the detailed financial schedules.

5.1 Customer programme

In this programme, reductions in services necessary to deliver cost reductions are first listed, then activity that focuses on maximising the yield on existing services, in particular on the rail network where capacity has been enhanced. The Metro and Goldline bus networks will undergo change and development as per the 'Bus Development Programme'.

5.1.1 Rail

Efficiencies in response to the budget service reductions in the off-peak will occur across all lines except Belfast to Coleraine/Derry.

Future Rail Investment Strategy

This 25 year strategy has been developed by the DRD, phased to initially maintain the current network, then increase passenger capacity and network capacity,

introduce a higher speed Enterprise service and lastly expand the network. While phases will overlap, its priorities are:

Priorities 1 and 2:

To maintain and improve passenger capacity of the existing track network, rolling stock and other assets. Projects will include:

- Completion of the Coleraine to Derry/Londonderry track relay.
- Track relays between Coleraine and Antrim and at Lurgan station.
- A rolling programme of track rehabilitation and signalling upgrades.
- Refurbishment of the Enterprise rolling stock.
- A programme of refurbishment of the Class 3000 and 4000 trains.

- Refurbishing stations and halts including Adelaide, Ballymena, Derry/Londonderry and Lurgan.
- Purchase of up to 60 extra carriages (will require increased platform capacity in Belfast, e.g. the Belfast Hub).
- A programme of new Park & Ride facilities.
- Development of new halts, particularly where linked to Park & Ride facilities.
- Passenger information and ticketing projects.

Projects will be delivered to allow for eventual electrification of the network in the longer term.

Priority 3:

To remove bottlenecks to service improvements and to assist development along the TEN-T Core Network Corridor. Projects will include:

- Third track from Adelaide to Great Victoria Street to serve the new Transport Hub.
- Dualling of Dargan viaduct and Donegall Quay halt.
- Third line from Lagan Junction to Central Station.

Priority 4:

To enhance or extend the TEN-T Comprehensive Network. Projects will include:

- Enhancement of the Northern Line between Bleach Green and Antrim.
- Feasibility studies into longer term extensions of the network on the following routes:
 - > along the A6 corridor between Antrim and Castledawson roundabout;
 - > along M1/A4 or A3/A29 corridors towards Dungannon/Armagh;
 - > to serve Belfast International Airport.

Specifically, the strategy does not envisage electrification of the Northern Ireland network within its timeframe nor does it envisage a demand for the development of rail freight.

The First EU 'Railway Package'

This has required a formal separation of rail operations Railway Undertaking (RU) and Infrastructure Management (IM). This work included completion of a Network Statement and implementation of Track Access Application processes. Separate IM and RU Business Plans are in place. The following summarises key programmes of work planned by the IM and RU.

Translink Railway Undertaking

A future vision is of 20 million passenger journeys by 2020, within the context of the DRD Future Rail Investment Strategy. Consistent with the prioritised policy options but subject to funding constraints, the timetable strategy envisages improvements on the current timetable through incremental six car operations then future service/timetable enhancements which include:

- Hourly service to Derry/Londonderry.
- Capacity increases between Lisburn and Belfast.
- Journey times reductions Portadown-Belfast and Bangor-Belfast on off-peak services.

To further removing barriers to rail travel, it is envisaged to:

- Expand Park & Ride capacities and develop new 'Parkway' Stations; Lisburn West, Cullybackey and Moira are progressing.
- Consolidate real time information functionality and extend distribution channels (Translink NIR 'Tiger' system).
- Examine options to expand passenger capacity (more/bigger trains); a New

Trains 3 Programme fleet expansion project will be scoped and scheduled.

- Examine options to expand network capacity/network coverage.

On cross border Enterprise services, refurbishment of the fleet, assisted by EU funding, has commenced with full completion and re-entry into service during 2015/16. The service will effectively be relaunched as 'new' with the emphasis remaining on service optimisation to consolidate and grow passenger numbers as the Dublin business and leisure market improves. Events will continue to be a significant lever of new business.

Translink Infrastructure Manager

A Network Capacity Utilisation Strategy will be completed in 2015 to prioritise investment needs arising from the DRD Future Rail Investment Strategy. Subject to confirmation of funding for this strategy, projects and developments relating to track and facilities rehabilitation (stations, track, Park & Ride) for the period of this plan include (with finish dates where capital funding is identified):

- Completion of Derry/Londonderry to Coleraine Phase 2 Renewals works with an additional passing loop to increase frequency potential; this will be substantially complete by the end of 2016.
- Progress Park & Ride programme (as above).
- Lisburn Interlocking and Lisburn-Lurgan Track Rehabilitation (deferred beyond 2016/17).
- Progression of station projects including:
 - > Lurgan station rebuild/refurbishment;
 - > Derry/Londonderry station development;
 - > Ballymena bus and rail station;
 - > Updated/refurbished halt at Adelaide (deferred beyond 2016/17) with walkway to Windsor Park (2015/16).

- A capacity study of Dargan Viaduct for potential dualling.
- Progression of level crossing safety works.

5.1.2 Bus

Following the changes necessitated by the reduction in funding for 2015/16 and beyond, the strategy for growth of the bus network may be summarised as allocating resource (buses and people) to follow volume (i.e. those parts of the network with demonstrable or existing potential or future potential from new 'attractors').

This means higher frequency/more dense corridors but less frequency on peripheral services (same scope – less density). Focus remains on operational excellence, punctuality, reliability, customer service and cleanliness of vehicles while retaining good value. The Bus Development Programme targets sustained growth towards a vision of 80 million passenger journeys annually.

Bus Engineering Reorganisation

The following garages will be considered for downgrading and integration with alternative facilities:

- Armagh
- Antrim
- Newtownards
- Newcastle

The downgrading of these facilities is linked to the service adjustments set out below. To maintain any of the services below may require keeping some of these engineering facilities at their existing capacity as the resulting 'dead mileage' to travel to an alternative maintenance facility would result in even greater inefficiency.

Goldline

Goldline services continue to grow strongly and have potential for substantial ongoing growth. The Goldline brand proposition has been enhanced through new, high specification fleet with leather seats, extra leg room, fresh livery and free to use Wi-Fi for passengers. The timetable has already been enhanced to include frequency/

service increases and further integration of Translink express coach and rail networks. This upgraded service covers 77% of all Goldline journeys.

To drive future growth, the service patterns will be recast to deliver increased passenger numbers. The programme includes:

- A new off road bus passenger facility in Banbridge (2015/16).
- Specification of a 'Goldline standard' with customer service, signage, information and presentation promises.
- Increased frequency and passenger numbers during the off peak.
- Repositioning/simplifying the Goldline network from 28 routes to say 18 core and redeploy capacity to Ulsterbus 'interurban'.
- Reduction of journey times through more direct services supplementing 'stopping' services and frequency improvements.
- Further development of online sales and seat reservations.
- Investigation of new locations for Park & Ride.
- Area reviews – e.g. Craigavon to Lisburn and options for further integration of rail and Goldline e.g. Armagh/Portadown.

Ulsterbus

Town services (with the exception of Ballyclare) will remain with no substantial changes; services in the towns indicated below will operate with some reduction in frequency. The service changes in Ulsterbus are targeted (in all cases) at less intensively used services (i.e. low frequency /limited hours of operations).

Whilst these reductions will reduce fleet requirements, the savings in terms of staff numbers are not as significant as would be the case in more intensively served areas (e.g. Metro; although to target more intensively served areas a greater number of passengers would be affected):

- Armagh
- Ballyclare
- Ballynahinch
- Downpatrick
- Enniskillen
- Limavady
- Newcastle
- Omagh
- Strabane

Other necessary reductions in services include:

- Long distance stopping services: a 10% reduction in stopping services particularly on longer routes where Goldline services are provided.
- Foyle and Lisburn city services: timetable revision and reduction in frequency on specific services.
- Rural services: some withdrawal of links from small rural villages to larger towns and reduction of stage carriage frequencies in all districts (i.e. rural routes would only be maintained where schools were serviced).
- In addition there will be some reductions in Saturday services across the network.

Looking beyond these changes, the Bus Development Programme envisages:

- Area reviews to identify new attractors and journey potential.
- Pilots on core interurban corridors and into Belfast, enhancing frequency to demonstrate a business case to extend this model.
- Integration with community transport operators to deliver rural services more cost effectively and create links to the Ulsterbus and Goldline networks.
- Commence planning to feed into rapid transit services at the edges of Belfast.

Metro

Frequency reductions would occur on Corridors 1, 3 and 6 and services 13-16 (Mon to Fri). On Saturdays there would

also be a reduction in early morning and evening services and reduced frequency on corridors 8 and 10 and services 18-19. Other non-core services may also be reduced.

Improvements in bus priority in Belfast city centre have been beneficial for Metro services with early evidence of operational efficiency improving and travel behaviour switching from private car use in the city centre to passenger transport, cycling and walking or to routes bypassing the city centre. Further measures are necessary, particularly outside the city centre, to continue to deliver punctual and fast services for customers.

While operational improvement has been evident in the city centre, congestion and low average speeds continue to be an issue throughout the city, impacting punctuality, performance and reliability. We will continue to work in partnership with (led by) Transport NI to implement an ongoing programme of bus priority in greater Belfast to address the issues of reducing bus speeds and congestion. To deliver sustained growth, the Bus Development Programme will deliver:

- Refresh of bus stop infrastructure and information; introduction of real time information to personal/smart devices.
- Reduction of bifurcation; more simplification of the network, incorporating 'secondary' services into core corridors.
- Potential geographical extension towards Lisburn/Newtownards/Carryduff.
- Extension of express services e.g. CityExpress/10x.
- Potential for orbital operations linking UU, QUB and Belfast Met colleges and incorporating new attractors such as the UU development.
- Preparation on corridors 4 and 10 for the introduction of rapid transit.

- Eventual roll out of frequency improvements across all corridors.

The level of changes to Ulsterbus, Goldline and Metro services has been mitigated on the basis of the following assumptions:

- No withdrawal of schools' services.
- Schools accept same fares revision as scheduled services.
- Sensitive hospital links (Altnagelvin, Antrim, Craigavon) retained or limited adjustment.
- Rural Transport Fund 'bundled' with general funding support.

Bus Rapid Transit

Translink as the operator designate for the planned rapid transit system for Belfast is progressing vehicle procurement, planning for engineering facilities and integration of ticketing and customer information solutions along with developing operational options. We will continue to work with the DRD to ensure this significant investment in passenger transport for Belfast adds to the overall offering for passengers, delivers modal shift from the private car and integrates seamlessly with existing Translink services.

Park & Ride

Park & Ride continues to be a major success and an opportunity for growth and a key tool to deliver modal change; it is the obvious better choice over the hassle of driving and cost of city centre car parking. Following recent approval for a further large bus-based facility at Ballymartin on the M2 with approx. 500 spaces, construction will be completed during this year. All opportunities to increase Park & Ride will be pursued.

5.1.3 Customer Information

Translink recognises information as a crucial tool in generating business growth. The objective is continued enhancement towards more accurate, individual and easy to use information about all our services which add value, generate journeys and reduce cost of distribution. Customers can now get individual address to address journey information, through whatever channel they choose including apps and incorporation of real time for rail services to enable and encourage more journeys through ease of access, confidence and reliability.

We will continue to enhance the Translink website for mobile phones/devices and desktop website. Usage of the site has grown with migration to the mobile platform and Journey Planner apps. Future development will incorporate fares information for bus and rail services, payment options through the Translink mobile website. Links to the cross-border journey planner are also offered. Additional data will also be made available through the government Opendata platform (when available) to allow third parties to develop commercial applications (effectively promoting Translink's services). The next outputs for 2015/16 include:

- Integration of automatic vehicle location (AVL) outputs to smart devices for Metro (i.e. 'dots on a map').
- Customer information systems and long line public address hardware and software procurement for rail network.
- Integration of real time passenger information (RTPI) outputs for Metro (SIRI) and Rail (xml) to provide real time information across online Journey Planner/app/contact centre. Email alerts service available as part of the package (e.g. arrival screens/virtual departure boards/stops).

- RTPI email alerts (Rail).
- Europa Buscentre video wall for next scheduled and real time departures.
- Extension of digital departure screens across PT network for next scheduled and real time departures including potentially airports, Park & Ride sites, etc.

5.1.4 Campaigns commentary

Translink launched a major new innovative integrated marketing campaign to highlight how using the bus and train can give a better lifestyle. The hearts and minds 'Life's Better' campaign focused on the consumer benefits, which are leading more and more people to make the bus and train their preferred way to travel. As well as a creative advertising campaign using outdoor advertising panels, TV, radio and digital channels, Translink encouraged passengers to be ambassadors for their service and share their own 'Life's Better' experiences amongst their friends, family, peers and colleagues.

This was a really exciting initiative following a range of service enhancements that have already attracted many more new people to give our services a try – over 1.5 million in the last two years.

Our customers regularly tell us the reasons they prefer using the bus and train – it gives them more time to relax free from the stress of driving in traffic, more time to catch up on work or social activities making use of free Wi-Fi on board trains and coaches, reduced journey times, as well as money savings compared to paying for fuel, parking and car maintenance costs.

The novel Translink Life's Better Ambassador initiative is an opportunity for passengers to convey what they like about bus, coach and train travel and help inspire more people to get on board and start enjoying the benefits.

5.2 Commercial Programme

Our commercial programme is focused on maximising revenue from both customer journeys and from non-public transport activities to support continued investment in the business. This is also an opportunity to offer more facilities in-station for our customers, for example coffee shops and additional retailing. We will pass on the benefit to passengers of our efficiency; value for money remains a high priority for all our customers and a real advantage we can offer over car journeys

5.2.1 Fares and Ticketing

Fares have reduced in real terms for all bus and rail services in NI over several years. However, in year funding reductions for 2014/15 meant an increase in fares of 4-5% was necessary in February 2015.

Given the funding reductions outlined for 2015/16 and as reported in section 4.2, a further headline fare increase of approx. 5% (delivering an assumed yield of approx. 3%) is proposed for early 2016. This includes application of the proposed increase to schools with the resulting impact on the schools' budget. When implementing this fares revision we will continue to make bus and train a better value choice through a programme of aggressive and innovative promotions and getting the message to our customers of the 'best fare' available (for bus usually Smartlink and mLink for rail).

In developing ticketing systems, Translink's objective is the sale of tickets through the channel chosen by the customer, reducing transaction cost and operationally more efficient for Translink; this generally means reduced cash handling. A ticketing system, which delivers this will enable and encourage more journeys through ease of access/purchase and moving towards better value for customers. In this area Translink has been very innovative.

New ticket types introduced over the past years continue to increase in popularity and will continue to be promoted:

- mLink (ticketing by mobile phone for NI Railways services) was enhanced during 2014/15.
- Integrated ticketing for rail and bus such as iLink, aLink (an annual commuter pass) and the Belfast Visitor Pass for the tourism market.
- Sales of Smartlink through PayPoint outlets and a dayLink card for Metro in Belfast.
- TaxSmart, an annual pass for bus users, which saves them tax and their employers National Insurance Contributions.
- yLink for young people (16-23 years old) gives one third off for travel on Translink services.

The 'Ticketing Replacement' project is the largest development in ticketing. The objective is to replace the current ticketing system for bus and rail from 2017/18. This includes all current hardware, software, ticket media options, 'back office' and potentially the addition of vending machines. Integration, interoperability and flexibility of payment (cashless where possible) are priorities. The needs of Belfast's rapid transit are fully recognised in this project. Procurement will complete in 2015/16. Other projects continuing in 2015/16 and beyond include:

- Redemption of online sales to mobile phones or print at home/on departure for key Goldline services; this follows the successful introduction of a collect at station facility for online tickets for the Enterprise.
- Further development of mobile ticketing, including extension to bus services and events travel.

The Translink website provides online sales opportunities for a range of products across our bus and rail services. The value of online sales this year exceeded £3m – a year on year growth of over 10% – including the Enterprise web fare, Smartlink cards, iLink, NIR weekly/monthly tickets among others. This development will continue. A payment option through PayPal to facilitate easy purchase of tickets on smart phones and devices is proving popular.

5.2.2 Belfast Transport Hub (at Great Victoria Street)

Translink and DRD are progressing this flagship project to develop/construct a new, modern 'Integrated Transport Hub' for bus and rail services. The proposal will utilise part of our Grosvenor Road site, together with our existing facilities at Glengall Street, which comprise the Europa Bus Centre and Great Victoria Street Train Station. This will create an integrated and accessible signature transport facility within Belfast with the potential to create a best in class integrated transportation hub with Park & Ride, providing a catalyst for further economic opportunities for Belfast and Northern Ireland.

This new strategic transport link will support the economic growth of Belfast. This will be the terminus for cross border Enterprise services and the gateway to Belfast and NI for those travelling by coach or to/from the airports. Substantial job opportunities will be created through making available lands for commercial use in partnership with the private sector. Design consultants have just been appointed. Construction is expected to commence in 2017.

5.2.3 Commercialisation

In keeping with our drive for sustainability we are leveraging the value of our asset base, operating as an efficient and value for money organisation and as a viable business concern. We are focused on generating revenue and growth to reinvest in frontline bus and rail services while keeping fares as low as possible. To achieve this, we are exploring additional commercial opportunities and looking at innovative ways of generating money to invest in public transport. This activity includes:

- Station footfall, retail and vending – we continue to market retail units for rental at passenger facilities. This, coupled with vending solutions (food and non-food), will enhance the service we provide for our customers and generate return from the significant numbers of passengers. In addition to this, we will rent space for third party marketing opportunities in our stations and at our passenger facilities.
- Car Parking – recent investment in new ticketing equipment at our car parks has enabled us to offer customers additional payment options. The strategic use of these facilities, coupled with active promotion and linkage with our bus and rail services, will enhance our product offering through integration plus added benefit to increase public transport usage.
- Advertising – we will maximise the return from the sales and lease of advertising space on static sites such as our premises and structures, coupled with mobile advertising on our buses and trains.
- Estates/Property – we will maximise return on the properties within our portfolio, taking account of medium and long term operational, engineering and investment property requirements for the group.

5.3 Capability and Compliance Programme

This programme includes activity to deliver organisational effectiveness coupled with compliance with legislative, governance, public sector and safety requirements.

5.3.1 Public Service Contract

A formal contract has been agreed in principle between DRD and Translink granting the latter rights to deliver bus and rail services within Northern Ireland. This is to comply with relevant EU regulations. With the contract comes a set of performance obligations. The finalisation and future operation and monitoring of performance against the requirements of this contract mean a significant change to the relationship between DRD and Translink.

5.3.2 Organisational Development

This organisational development agenda will continue to focus on developing appropriate skills, behaviours and leadership styles to drive a high performance culture within the organisation. Forthcoming activities are planned in the areas outlined below. These are aimed at delivering outputs that build upon our already strong people and organisational capability.

Talent Management and Succession Planning

The organisation will continue to develop processes to attract, identify, develop and retain leadership talent and other critical resources to meet current and future demands. Specifically in 2015/16 a number of targeted leadership development programmes designed to develop identified talent at various levels will be implemented. These include:

- Institute of Leadership and Management accredited coaching development programme for band one managers.
- Horizons development programme aimed at high performers outside the band one group.
- Pathways to management programme aimed at high potential employees outside the management, professional and technical (MPT) population.
- Graduate programme – leadership development curriculum.
- Female leadership programme.
- Railways supervisors programme.
- Bus inspectors (Impact programme).

5.3.3 Safety and Corporate Responsibility (CR)

The safety and well-being of customers, employees and the general public remains central to Translink's operations. A significant work programme is in place to deliver, enhance and maintain safe systems, a positive safety culture, emergency preparedness and high profile public safety campaigns in support of this commitment.

This programme is called 'Go Safe' within an integrated Corporate Responsibility strategy which includes our approach to workplace well-being ('Go Healthy'), environmental management ('Go Eco') and how we work with the communities we serve ('Go Together'). A copy is available on www.translink.co.uk

5.3.4 IS/IT strategy

Translink's corporate business applications systems and ICT Infrastructure enable the organisation to deliver effective performance. A core development in 2014/15 was a balanced scorecard to generate KPIs related to the new public service contract. This will be further optimised and rolled out in 2015/16.

The strategy also seeks to continuously improve, in terms of security and business effectiveness, the IT equipment estate and data/telephone systems across the Group. For example, developments currently completing commissioning include a bus engineering fleet management system and bus depot allocations system. Ongoing streams of work include:

- Implementation of an electronic records management system to improve the management of records across all business areas within the Group.
- PCI Accreditation (a continuing process as standards develop).
- Hosting upgrades: through server virtualisation and involvement in collaborative public sector hosting arrangements.

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