## NORTHERN IRELAND TRANSPORT HOLDING COMPANY

## Minutes of the Board Meeting held using Microsoft Teams

On 20 January 2021 at 8.30am

**PRESENT: Mark Sweeney (Interim Chairman)**

**Chris Conway (GCE)**

**Anthony Depledge (AD, Senior Independent Director)**

**Angela Reavey (AR)**

**Hilary McCartan (HM)**

**Bernard Mitchell (BM)**

**Philip O’Neill (CBCO)**

**Patrick Anderson (CFO)**

**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.

**3862 WELCOME AND APOLOGIES**

The Interim Chairman wished the Board members a happy new year and welcomed them to the first digital meeting of 2021.

**3863 DECLARATION OF INTERESTS**

No interests were declared.

**3864 MINUTES & ACTION LIST**

The minutes of the previous meeting were formally approved and actions noted as completed.

**3865 CHAIRMAN & BOARD BUSINESS**

The Interim Chairman informed members that the interviews for the post of NITHC Board Chairman were complete but no appointment had been announced. The Board members were hopeful that an appointment would be imminent, followed closely by the competition for the remaining Non-Executive Director positions. The GCE would seek clarification of the timetable from the Department.

**ACTION:** GCE to provide the Board with updates on Board appointments, as available.

**3866 SAFETY REPORT**

The Board took the report as read and CBCO highlighted the following salient points:

1. Safety Performance Indicators Summary: Reflected positive trends in both passenger and staff injuries at the same time last year.
2. Significant/Noteworthy Events: CBCO asked Board members to note as a ‘near miss’ the incident involving a tree on approach to Portadown and while there was no serious injury resulting, the train was out of service temporarily.
3. Crime: BM noted the unfortunate incident of anti-social behaviour on the Glider. CBCO informed the Board that the local bus operations teams with support from other business functions continued to work with the local community groups and PSNI in relation to reducing this and raising awareness. The Group was also implementing additional resource and training to assist staff with dealing with such anti-social behaviour.

**3867 GCE REPORT**

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

1. Financials: Group revenue is adverse to this time last year and remains significantly impacted by the reduction in passenger numbers due to the COVID-19 pandemic. Group operating loss is adverse to last year to date, primarily due to loss of revenue associated with COVID-19. The teams continue to work hard on cost efficiencies to reach the £20m target by financial year end.
2. Operations: Revised timetables were introduced on 11th January (and 18th January on the Enterprise) as a result of further tightening of Covid-19 restrictions. A Sunday plus timetable is currently in operation on Rail and a Saturday plus service on bus.
3. Commercial Operations: The annual Christmas Stuff a Bus campaign exceeded its target in raising £124k for the Salvation Army and St Vincent de Paul charities. Terry Butler was recognised in the 2021 New Year’s Queen’s Honours list for his services to public transport in Northern Ireland. The Board extended their congratulations to Terry for his achievement.
4. HR:

GM updated members on the launch of a new Inclusion and Diversity Strategy which had been presented to the Executive Committee.

**ACTION:** GM to arrange for a presentation of the Inclusion and Diversity Strategy to the Board

1. Covid 19 – GM updated the Board on Covid-19 business continuity plans. The most significant update was the introduction of lateral flow testing on site, to secure some of the most critical parts of the business. GM also noted that employee wellbeing continued to be a high priority for the teams.
2. Legal & Governance – BM noted the positive steps taken by the organisation with regards record management and welcomed the launch of the new Retention and Disposal e-Learning module.

**3868 FINANCE REPORT**

The Board took the paper as read.

1. Overview of Period 9: The Group’s operating loss year to date is favourable to budget loss (due primarily to additional subsidy and savings in operational costs, engineering costs and overheads). The year to date loss is adverse to the same period last year, due primarily to the loss of passenger revenue associated with COVID-19, though operating costs year to date are less than last year.

Budgeted revenue for the year reflects the additional funding which was notified by the Department.

1. LBE 2: The CFO highlighted the challenges the team faced in preparing the LBE 2, primarily due to the changes in Covid-19 restrictions, which impact directly on the organisation.

The Group’s projected year end cash position is below the minimum cash threshold as set out in the Group Treasury Management Policy.

GCE appraised the Board on potential additional emergency Covid 19 funding which may be allocated to the Group.

The LBE 3 will be presented to the Board in March and will represent the final Group forecast before year end.

**3869 MAJOR CAPITAL PROJECTS**

The additional Major Projects Tracker and summary was noted by the Board. The GCE highlighted the following salient points:

1. Ticketing - Planned roll out of the handheld devices for rail and metro has experienced a short delay in roll out due to a number of technical difficulties. Progress is being monitored weekly and at Executive meetings between the Group and Flowbird.
2. New Trains 3 – The project remains on budget however the Covid-19 pandemic has resulted in a short delay in delivery.
3. Bus Procurement Programme - The first of three hydrogen buses entered passenger service on 17 December 2020.

The Board welcomed the addition of the Major Capital Projects summary report.

**ACTION:** GCE to include criteria for projects included in the summary report and a timetable of Gateways reviews.

The Board viewed the CAF video on the production of train carriages.

**3870 DFI CORRESPONDENCE**

The correspondence was taken as read.

The Board expressed their thanks to the Minister for the timely and encouraging response to the Chairman’s recent letter in respect of financial projections for 2020/21.

**3871 AD HOC PAPERS**

* *David Cowan and Norman Maynes joined the meeting. GCE presented on the Group branding.*

Following the presentation, the Board provided support to the proposed direction and objectives of both the brand proposition and strategy. The Board acknowledged the need and benefit to move towards a more uncomplicated and consistent brand. They were encouraged by the level of stakeholder engagement which had been undertaken by the team and considered the integration of the new ticketing system a possible opportunity to implement this.

David Cowan and Norman Maynes left the meeting.

The CFO presented a paper and sought Board approval for the onboarding of Goldman Sachs to the Group fuel hedging panel, and provided assurance in respect of compliance with procurement requirements.

**DECISION:** The Board resolved the addition of Goldman Sachs International to the Group’s Fuel Hedging counterparty panel and associated International Swaps and Derivates Association (ISDA) documentation.

**3872 MINUTES OF COMMITTEE MEETINGS**

The minutes of the Project Oversight Committee meeting held on 15 December 2020 were noted by the Board as read. The Interim Chair asked Board members to note in particular the following frameworks which had been approved at the POC meeting in December:

* Support Information C1032 Additional Passing Loop;
* Award of contract to British Steel for supply of pearlitic rails for projects and stock. The Interim Chair informed the Board of the potential 25% tariff on steel coming into Northern Ireland and while it is anticipated that this tariff will be dealt with at a Governmental level and agreement reached to reduce (or remove) it, there was a an immediate impact on the Group in terms of the substantial increase in cost of steel.

The Interim Chair briefly mentioned to Board members that a number of zero value frameworks (for major building works and civil engineering profession services) had been approved at the January POC and these would be set out in more detail in the POC minutes (at the next Board meeting).

The summary of key items considered at the Board Audit and Risk Committee held on 9 December 2020 was noted as read.

**3873 ANY OTHER BUSINESS**

None.

**3874 DATE OF NEXT MEETING**

17 February 2021.

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

 Chairman