## NORTHERN IRELAND TRANSPORT HOLDING COMPANY

## Minutes of the Board Meeting held using Microsoft Teams

On 24 March at 9.30am

**PRESENT: Michael Wardlow (Chair)**

**Chris Conway (GCE)**

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

**Mark Sweeney (MS)**

**Angela Reavey (AR)**

**Hilary McCartan (HM)**

**Bernard Mitchell (BM)**

**Patrick Anderson (CFO)**

**Philip O’Neill (PON)**

**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.

**3888 WELCOME AND APOLOGIES**

The Chair welcomed members to his first Board meeting in his new role.

**3889 DECLARATION OF INTERESTS**

No interests were declared.

**3890 MINUTES & ACTION LIST**

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

**3891 CHAIR & BOARD BUSINESS**

The Chair thanked the Board and Executive Team for their kind welcome and informative induction.

The Chair advised members that he had attended the delivery of new train carriages which would enhance the capacity of the existing Tranlink fleet and congratulated the team on the event.

The Board and Executive Team welcomed the Chair to Translink.

The Non-Executive Directors discussed the potential extension to their current appointment term and awaited formal notification from DfI.

**3892 SAFETY REPORT**

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

1. Safety Performance Indicators Summary: The GCE noted generally the indictors were trending positively. In relation to the two Statutory Reportable incidents, the GCE commented that these did not result in any injuries and the appropriate investigations were taking place.
2. Covid: GM advised Board members that Covid Rapid testing had been launched and testing for employees commenced at Lanyon Place. Two further sites are being established at Portadown and Coleraine. Recruiting for volunteers from the workforce to assist with the rollout was encouraging. The Board extended their congratulations to John Thompson and the health and safety team, on the successful launch of rapid testing scheme.

**ACTION:** GCE to circulate the Climate Positive Strategy to Board members.

MS commended the GCE on the new format of the Safety Report.

BM commented that the ‘building back’ concept would be challenging for the Group and the public transport industry generally.

**ACTION:** GCE to provide an update to the Board on the ‘Building Back’ plan.

**3893 GCE REPORT**

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

1. Financials: Figures show the positive impact of the additional revenue received from DfI.
2. Commercial Operations: The teams are working on the communications around the 25th anniversary of Translink on 1 April 2021 and are creating a digital brochure to highlight major achievements.

**ACTION:** GCE to circulate a copy of the brochure to Board members when it is finalised.

1. HR: GM updated the Board on the launch of the employee pulse survey, focusing primarily on wellbeing and safety. The objective is to gauge the support provided to employees and consider areas of additional support in the future. The survey was rolled out using Ulink and the employee app. The success of the app is reflected by over half of the Group employees having registered for the app and views of the content are increasing month on month.

The Group celebrated International Women’s Day with a guest speaker, Dr Jayne Brady MBE sharing her learnings and experience, and with the launch of a new Female Network.

1. Information Services - The National Cyber Security Centre recently issued a bulletin on the threat for Transport in NI. Awareness training will be rolled out to all users via the eLearning platform. MS noted that the shared learning from the Group cyber-attack has helped other public sector bodies. The GCE advised the Board of the importance of continued investment in cyber security as it remains an ongoing challenge for organisations. The Chair agreed that cyber security remains a real threat and intends to raise this with the Auditor General.
2. Legal & Governance – The first draft of the Partnership Agreement was received from DfI for the Group’s consideration and will be brought to the Board when it has been developed further. The Chair reminded members that this was a step change in approach to the relationship between arm’s length bodies and their sponsors, based on proportionate autonomy.

BM suggested that consideration be given to the form of governance KPI measure as regards internal audit regards internal audit in the new PSA.

**3894 FINANCE REPORT**

The Board took the paper as read and the CFO highlighted the following salient points:

1. Overview of Period 11: Trends largely follow those in previous months, and a detailed presentation of the 2021/22 budget would be delivered later in the meeting. Group results for the period are £42.5m better than budget, which is c £23m better than what we had predicted in LBE 2 – reflecting the additional £20m of emergency COVID funding and additional savings made. The Group cash reserves were bolstered due to the receipt of additional emergency funding from DfI. This additional emergency funding will be factored into a third and final in-year forecast which will be presented to the Board in April and is expected to project a full year operating profit of c.£60m.

The Group was advised that it is likely to receive a further £50m Covid-19 emergency funding by 31 March 2021and this will be used to model the year end forecast later this month. It is expected that the projection will reflect a full year operating profit of c.£60m. The CFO commented that this positive year end position would provide confidence to the Group’s supply chain and other stakeholders. He also noted that there would be corporation tax implications which would be reflected in the final year end accounts.

1. Capital Expenditure: The capital plan continues to be monitored weekly to ensure the full capital allocation is expended.

The Chair thanked the CFO for the detailed overview of the current financial position. He also noted that it was important that the Group carefully consider the communication of the year end accounts position.

BM queried how the year end cash position would impact on the Group’s Going Concern position, given the ongoing uncertainty regarding future funding. The Board agreed that a form of assurance would be required from DfI for year-end Going Concern and accounts considerations.

**ACTION:** CFO to seek Going Concern assurances from DfI at the next Monitoring Meeting.

**3895 MAJOR CAPITAL PROJECTS**

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

1. New Trains 3 – delivery of 3 carriages to Belfast had been successful.
2. Zero /Low Bus Fleet Programme – Tender documentation has been issued to the market for the supply of hydrogen refueling and vehicle charging infrastructure.

**3896 DFI CORRESPONDENCE**

The correspondence was taken as read.

The CBCO provided the Board with an overview of progress on the PSA and agreed to keep the Board updated on progress.

The Board agreed that the PSA and the Partnership Agreement should work in harmony

**3897 AD HOC PAPERS**

**2021/22 Budget and Outline Corporate Plan:** The CFO presented the Budget and Corporate plan to the Board, reminding members of the current economic challenges facing the Group, DFI’s funding and the public sector more widely. The ongoing pandemic and the direct, and very significant impact on the Group’s trading will inevitably continue to significantly affect the current financial position of the Company. The CFO asked the Board to note that the Group was awaiting formal confirmation of its 2021/22 revenue and capital funding allocation from DfI but it had been assumed that the level of baseline revenue funding of £81.9m received in 2020/21 will remain at the same level for 2021/22. The CFO outlined the other key components of the paper. He highlighting the key assumptions made on passenger journeys and revenues, costs and capital. The CFO emphasised a continued and substantial reduction in revenues from fare paying passengers and a resultant depletion of the Group’s cash reserves to a level below the minimum threshold by quarter 4 of the budget year.

The CFO emphasised the ongoing and acute challenges presented by the continued incremental, one-year budgeting and funding model, particularly in the supply chain and in managing long term infrastructure projects.

The proposed capital expenditure for 2021/22 is £221.8m, and represents an increase of £58.2m against the previous financial year but reflects the level of key strategic projects which the Group are undertaking.

The Board discussed the working capital concerns highlighted by the CFO, a number of the key underlying assumptions made within the paper and the sensitivity analysis thereto, as presented by the CFO.

The CFO sought the Board’s approval of the 2020/21 Budget and Outline Corporate Plan.

**DECISION:** The Board confirmed approval of the 2021/22 Budget and Outline Corporate Plan subject to a small number of minor amendments suggested.

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

The Board discussed the Bi-Annual Accountability meeting which was taking place later in that afternoon.

**3898 MINUTES OF COMMITTEE MEETINGS**

The minutes of the Project Oversight Committee meeting held on 16 February 2021 were noted by the Board as read. MS commented that the process of reviewing the Committee Terms of Reference had commenced, in particular a review of the delegated limits and this would be brought to the Board in due course for approval.

The summary of key items considered at the BARC meeting held on 3 March 2021 and the GRPC meeting held on 24 March 2021 were noted as read.

**3899 ANY OTHER BUSINESS**

AD confirmed the annual Safety Conference would take place virtually on 13 May 2021.

**3900 DATE OF NEXT MEETING**

21 April 2021.

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

Chair