# **NORTHERN IRELAND TRANSPORT HOLDING COMPANY**

## Minutes of the Board Meeting

## 16 March 2022 | 9.30am | PwC Offices, Merchant Square, 20-22 Wellington Place, Belfast

**PRESENT:** Michael Wardlow, (*Chair*)

 Chris Conway (*GCE*)

Patrick Anderson (*CFO*)

Gordon Milligan (*CHRO*)

Mike Brown (*MB*)

Tzvetelina Bogoina – Seenan[[1]](#footnote-2) (*TBS*)

Marie Mallon (*MM*)

Sharon O’Connor (*SO*)

Edward Wills (*EW*)

**IN ATTENDANCE:** Priscilla Rooney, *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.

**4019 WELCOME AND APOLOGIES**

The Chair welcomed members to the meeting. No apologies were noted.

**4020 DECLARATIONS OF INTERESTS**

None.

**4021 MINUTES & ACTION LIST**

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

**4022 CHAIR & BOARD BUSINESS**

The Chair updated members to the recent changes of leadership within the NI Civil Service, confirming that Julie Harrison would take up the post of Permanent Secretary within the Department for Infrastructure. The Board extended their congratulations and support to Ms Harrison and looked forward to meeting her.

**4023 SAFETY**

The Board took the report as read and CHRO highlighted the following additional matters:

1. SOC: GCE advised the Board on an ongoing fraud investigation.
2. EW updated the Board on the Safety Oversight Committee meeting. John Thompson presented an informative and detailed review of the Safety Performance Indicators. The Committee also had a presentation and discussion regarding the hydrogen fleet. EW and MB thanked the team for the excellent work undertaken by the organisation to manage risk and following the SOC, members felt confident that they had a better understanding of the Group’s approach to safety risks.
3. Significant/Noteworthy: Board members noted the tragic suicide incident at Adelaide halt. The Board expressed their sadness and sought assurance that staff were being supported. GM confirmed that the Group has a protocol for such incidents and support is provided to all staff who are impacted.
4. Safety Conference: Focus will be on safety behaviors including slips, trips and falls.

**4024 GCE REPORT**

The Board took the report, KPI summary and Major Project summary as read, and the GCE highlighted the following:

1. Financials: Group revenues year to date are ahead of budget, mainly due to additional PSO funding received from DfI and additional fare paying passengers.
2. Passenger journeys: Passenger journeys are ahead of budget for the year to date. The GCE commented on the increase in leisure travel.
3. Service Operations: Punctuality levels fell marginally below target for Metro primarily due to increased traffic congestion and driver availably issues. Punctuality for Glider and Ulsterbus exceeded targets.
4. Infrastructure and Projects: The Rail Infrastructure team recently won the prestigious Asset Management and Maintenance Excellence award at the annual UK Rail Business Awards in London. The Board congratulated the team and their excellent work.
5. Major Capital Projects: The CFO updated the Board on the imminent launch of the contactless ticketing service on Metro fleet. The next phased in the roll out will include account-based ticketing. The Board were very supportive of the project, endorsing the excellent progress and the diligent work of the ticketing team.

**4025 CFO REPORT**

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

1. The Group year to date operating loss is in line with previous in-year forecast (LBE 2).
2. Capital Expenditure: The CFO highlighted that full utilization of the 2021/22 capital funding was on target, and ongoing review and mitigations continue to ensure all critical milestones within the capital plan are met.

The Board commended the impressive work and efforts made by the executive team, particularly given the global economy and pressures on the supply chain and cost base.

**4026 CHRO REPORT**

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

1. Employee Relations – Wage negotiations have continued within a very challenging economic environment. The largest group of employees have balloted for a third time and rejected the Group’s most recent offer. The Group remain engaged with unions in a positive manner and are keeping DfI updated on the situation. Hybrid Working: The Groups new Hybrid Working policy commences on 4 April 2022, following agreement of the policy with unions and communications to employees. The Board recognized the challenges associated with the policy and the need for a flexible and balanced approach during its inception.

**4027 DFI CORRESPONDENCE**

The Board took the correspondence as read.

**4028 AD HOC PAPERS**

*Presentation on the 2022/23 Budget and Outline Corporate Plan:* The CFO asked the Board to note that the Group was awaiting formal confirmation of its 2022/23 revenue and capital funding allocations from DfI but for the purpose of the budget exercise it had been assumed that the baseline revenue funding received in 2021/22 would roll forward into the 2022/23 year, with no inflationary increase.  No additional in-year or Covid-19 emergency funding had been assumed.  The CFO outlined the other key components of the budget paper.  On passenger journeys he continued that the  budget projected an increase of 20% on expected 2021/22 levels, ie, to 71m passenger journeys.  He noted a number of other key budget assumptions on revenues, costs, and capital.  The CFO emphasised a continued and substantial improvement in revenues derived from fare paying passengers.  However, given the significant shortfall in revenue funding from DfI and the impact of the ongoing post Covid recovery he highlighted the operating loss generated by the Budget.  This, he added, would result in the  depletion of the Group’s cash reserves by end of 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 Group’s supply chain and in managing long term infrastructure projects.

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 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 2022/23 Budget and Outline Corporate Plan.

**DECISION:** The Board confirmed approval of the 2022/23 Budget and Outline Corporate Plan.

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

* *Philip O’Neill joined the meeting[[2]](#footnote-3) and presented on the final draft PSA.*

Following the presentation, the Board had a detailed and invovled Q&A session, thanking Philip for providing the overview and deadline (31 March 2022) for signing of the Agreement. GCE sought the Board’s approval of the PSA.

**DECISION:** The Board confirmed approval of the PSA.

The Board congratulated Philip O’Neill on his retirement and thanked him for his many years of service and leadership for the Group. Philip O’Neill left the meeting.

* *GCE presented the Group Better.Connected Strategy.*

The Board welcomed the overview of the Strategy, providing their unanimous support and agreeing that it supported the culture of the organisation.

The Board agreed to hold a follow-up strategy day in Spring 2023.

**4029 MINUTES OF COMMITTEE MEETINGS**

The minutes of the POC meeting held on 15 February 2022 were taken by the Board as read.

MB also noted the POC meeting held the day before (15 March), in particular the Economic Appraisals for: -

* SPAD and Over Speed Mitigation; such mitigation measures required to minimize safety risks and issues.
* Real Time Service Performance and Customer Information – Metro and Ulsterbus to provide service performance improvements and customer information across Metro and Ulsterbus.

**4030 ANY OTHER BUSINESS**

None.

**4031 DATE OF NEXT MEETING**

27 April 2022.

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

 Chair

1. Senior Independent Director [↑](#footnote-ref-2)
2. Via Microsoft Teams [↑](#footnote-ref-3)