

10th January 2018

[REDACTED]

[REDACTED]

Re: FOI Request Response [IE_FOI_138]

Dear [REDACTED],

I refer to your request dated 27th November 2017 made under the Freedom of Information Act 2014, which was received on that date for records held by Iarnród Éireann your request sought:

All relevant documentation relating to:

I wish to request a copy of the minutes of all Irish Rail board meetings since January 1, 2017

I, Lynette O'Toole, Freedom of Information / Data Protection Officer have now made a final decision to release this record on the 10th January 2018.

Rights of appeal

In the event that you are not happy with this decision you can make an appeal in relation to this matter, you can do so by writing to the FOI Unit, Corporate Communications, Iarnród Éireann Irish Rail, Connolly Station, Amiens St, Dublin 1 or by e-mail to foi@irishrail.ie. You should make your appeal within 4 weeks (20 working days) from the date of this notification, where a day is defined as a working day excluding, the weekend and public holidays, however, the making of a late appeal may be permitted in appropriate circumstances. The appeal will involve a complete reconsideration of the matter by a more senior member of the staff of this body.

Should you have any questions or concerns regarding the above, please contact the FOI Officer on 01, 7034293.

Yours sincerely,



Ms Lynette O'Toole

Freedom of Information / Data Protection Officer

Freedom of Information Request:
 Schedule of Records for **IE_FOI_138** : Summary for Decision Making

Record No.	Date of Record	Brief Description	No. of Pages	Decision: Grant/Part Grant/Refuse	Section of Act if applicable	Record Edited/Identify Deletions
1	17.01.16	2.1b IE Mins 20170117 - Minutes 17.01.16_Redacted	6	Part Grant	redaction list on sheet 2	
2	07.02.16	2.1 IE Mins 20170207 v2 - Minutes 07.02.16_Redacted	12		redaction list on sheet 2	
3	29.03.16	2.1 IE Mins 20170329 - Minutes 29.03.16_Redacted	14		redaction list on sheet 2	
4	26.04.16	2.1 IE Mins 20170426 - Minutes 26.04.16_Redacted	11		redaction list on sheet 2	
5	30.05.16	2.1 IE Mins 20170530 - Minutes 30.05.16_Redacted	9		redaction list on sheet 2	
6	28.06.16	3. 1 IE Mins 20170628 - Minutes 28.06.16_Redacted	15		redaction list on sheet 2	
7	29.08.16	3.1 IE Mins 20170829 - Minutes 29.08.16_Redacted	13		redaction list on sheet 2	
8	27.09.16	3.1 IE Mins 20170927 - Minutes 27.09.16_Redacted	12		redaction list on sheet 2	
9	25.10.16	3.1 IE Mins 20171025 - Minutes 25.10.16_Redacted	10		redaction list on sheet 2	

Signed



Decision Maker

Redactions			
IE Board Minutes 17.01.16			
Page #	Minute #	Section of Act Applicable	Reason
2	4581.5	Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct and outcome of negotiations
3	4582.4	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
3	4583.3	Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct of negotiations
4	4586.1	Section 37 - Personal Information	Personal Information relating to employees
IE Board Minutes 07.02.16			
Page #	Minute #	Section of Act Applicable	Reason
3&4	4591.3	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
3	4591.6	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
6	4593.9	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
7	4594.3	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
7	4594.4	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
8	4594.5	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
8	4594.6	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
8	4595.5	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
8	4595.6	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
9	4595.10	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
9	4595.11	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
11	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
12	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 29.03.16			
Page #	Minute #	Section of Act Applicable	Reason
3	4604.2	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
3	4604.4	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
3&4	4604.6	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
4	4604.7	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
4	4604.9	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
4 5&6	4605.1-10	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
9&10	4607.3-10	Section 36(1)(c) - Commercially Sensitive Information	information which could prejudice the conduct of negotiations
12&13	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
14	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 26.04.16			
Minute #	Section of Act Applicable	Reason	
2	4615.2	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
3	4615.4 & 7	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
4	4615.8	Section 49 - Immunity from legal proceedings	Ongoing legal proceeding
4	4615.9	Schedule 1 Part 1 (p) - Partially Included agencies	Iarnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort
7	4617.1	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
7	4617.3	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
7	4617.4	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
8	4618.5	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
8	4618.7	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
10	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
11	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 30.05.16			
Minute #	Section of Act Applicable	Reason	
2	4626.2	Section 37 - Personal Information	Personal Information relating to a member of the public
3	4626.3	Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved
5	4628.2	Section 37 - Personal Information	Personal Information relating to employee
6	4629.3&5	Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct and outcome of procurement and negotiations
7	4630. &4	Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct of negotiations

8	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
9	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 28.06.16			
Minute #	Section of Act Applicable	Reason	
4	4637.4 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
5	4637.2 Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct and outcome of negotiations	
	4637.8 Schedule 1 Part 1 (p) - Partially included agencies	larnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort	
6	4638.7 Section 49 - Immunity from legal proceedings	Ongoing legal proceeding	
7 & 8	4638.19 Section 49 - Immunity from legal proceedings	Ongoing legal proceeding	
8	4638.21&23 Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct and outcome of negotiations	
10	4639.1 - 4 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
11	4640.3 - 6 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
12	4640.8 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
12	4641.2&3 Schedule 1 Part 1 (p) - Partially included agencies	larnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort	
14	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
15	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 29.08.16			
Minute #	Section of Act Applicable	Reason	
3	4649.2 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
4	4649.4 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
4	4649.6 Schedule 1 Part 1 (p) - Partially included agencies	larnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort	
6&7	4650.16 Section 37 - Personal Information	Personal Information relating to external companies	
7	4651.2 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
8	4652.3-7 & 10 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
11	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
12	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 27.09.16			
Minute #	Section of Act Applicable	Reason	
4	4662.5 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
5	4663.2 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
6	4663.8 - 10 Schedule 1 Part 1 (p) - Partially included agencies	larnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort	
7	4664.2 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
8	4664.3&4 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
8	4665.4 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
9	4665.5&6 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
10	4666.3(b) Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
11	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
12	TRANSACTIONS FOR APPROVAL AND SIGNING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
IE Board Minutes 25.10.16			
Minute #	Section of Act Applicable	Reason	
2	4673.3 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
3	4673.5 Schedule 1 Part 1 (p) - Partially included agencies	larnród Éireann is exempt from FOI in so far as it relates to the operation of Rosslare Europort	
4&5	4674.2 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
6&7	4675.3 - 5 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
7	4676.3 Section 36(1)(c) - Commercially Sensitive Information	Information which could prejudice the conduct and outcome of procurement and negotiations	
7&8	4676.4 - 6 Section 36(1)(b) - Commercially Sensitive Information	financial information whose disclosure could reasonably be expected to result in a fin loss to those involved	
9	TRANSACTIONS FOR APPROVAL AND SEALING	Section 37 - Personal Information	Personal Information relating to external companies & members of the public
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STRICTLY PRIVATE AND CONFIDENTIAL

**IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986**

IARNRÓD ÉIREANN - IRISH RAIL

**MINUTES OF THE THREE HUNDRED AND TENTH
BOARD MEETING HELD ON TUESDAY 17th JANUARY 2016
AT 9.45AM IN THE METROPOLE HOTEL, CORK**

PRESENT:	Mr. Phil Gaffney	Chairman
	Mr. Frank Allen	Director
	Mr. Mal McGreevy	Director
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Colin Catney	OPES Business Partners, (part)
	Mr. Aidan Cronin	Chief Financial Officer (part)
	Mr. Gerry Culligan	Commercial Director (part)
	Mr. Don Cunningham	Director Infrastructure Manager (part)
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Ronan Glynn	Safety, Technical & Approvals Manager (part)
	Mr. John P Lynch	General Manager, Rosslare (part)
	Mr. Ciaran Masterson	Director Human Resources (part)
	Mr. Jim Meade	Director Train Operations (part)
	Ms. Bidina McCabe	Assistant Company Secretary (part)
	Mr. Sheldon Norton	Human Resources Manager, Railway Undertaking (part)
	Mr. Michael Power	Acting Safety Advisor (part)
	Mr. Michael Reidy	Manager Strategic & Business Planning (part)
	Ms. Melissa Scully	Deloitte (part)

ABSENT: Apologies were received from Mr. Cyril Dunne, Ms. Carolyn Griffiths and Mr. John Moloney.

MIN NO.

4579 DECLARATIONS OF CONFLICT OF INTERESTS

4579.1 No conflicts of interests were declared.

4580 CHAIRMAN'S COMMENTS

4580.1 The Chairman noted that three vacancies remain on the board despite continuous engagement with the Department of Transport, Tourism and Sport (DTTAS) on the matter. However, it appears that there may be some movement on this issue soon.

4580.2 The Chairman outlined the agenda and noted that he expected the company's objectives and values to be endorsed by the board and that specific objectives and values would be set by the board for itself. The Chairman also asked directors to consider the outstanding recommendation from the board evaluation exercise carried out in 2016 regarding the quality of information presented to the board.

4581 SUCCESSION PLANNING

4581.1 The copy of the presentation in respect of succession planning previously circulated was taken as read and noted.

4581.2 Mr. Franks introduced Mr. Catney and advised that the succession planning exercise is part of the process which would feed into the Leadership Development Programme.

- 4581.3** Mr. Catney advised that a succession planning pilot was carried out with a view to identifying potential for the Chief Executive role. He referred to the following:
- Criteria,
 - Self assessment and preparation,
 - Values assessment,
 - Potential and
 - Allocation of scores with respect to performance and potential

It was noted that a person who does not aspire to be Chief Executive can still be highly valuable to the organisation. It is important that such persons do not feel de-valued just because they do not want to be Chief Executive.

- 4581.4** Mr. Franks then went on to explain the process surrounding the one to one meetings which he had with each of his direct reports. He noted that feedback sessions would still be required. Mr. Catney stated that the purpose of the one to one meetings were to calibrate each manager to determine their position on a nine box grid of performance –v- potential and their individual suitability to succeed to the position of Chief Executive.

- 4581.5** Mr. Franks outlined the conclusions arising from the exercise and the next steps that need to be taken. [REDACTED] He stated that the lessons learned from the exercise would be taken forward as part of the talent and succession masterclass of the Leadership Development Programme.

- 4581.6** There followed a discussion about whether to roll out the process to the next tier of management as there were concerns about the time consuming nature of the exercise and whether there were sufficient opportunities available for those in middle management. It was felt that there were greater opportunities for those at lower layers than those at the top layers of the organisation.

- 4581.7** Separately it was noted that specific Government Guidelines had to be followed in the event of a vacancy arising for the Chief Executive position. While the filling of the position is a board decision, the position would have to be advertised and there would have to be an open competition.

- 4581.8** Other matters referred to include the following:
- Difficulty in judging a person's character.
 - Managers need to be more balanced in their skill sets.
 - Employees also have to take responsibility for their own development.

Mr. Catney left the meeting at this time.

4582 PERFORMANCE REVIEW OF THE CHIEF EXECUTIVE

- 4582.1** The following memoranda previously circulated were taken as read and noted.
- (a) Summary of Performance during 2016 compared with Objectives for 2016.
 - (b) Draft Performance Objectives for 2017.

- 4582.2** Mr. Franks outlined his highlights during 2016 as follows:
- Publication of the Rail Review which has progressed the debate about how Iarnrod Eireann should be funded. The company will now push towards adoption of the appropriately funded scenario.
 - Progress on the Risk Management Project.
 - Good results arising from the Leadership Development Programme.

- 4582.3** Mr. Franks outlined the challenges he faced during 2016 as follows:
- Difficulties encountered with the implementation of the organisation review, particularly in the area of procurement. However, this is improving with the assistance of Mr. McGreevy.
 - Difficulties in the relationship with the Commissioner for Railway Regulation (CRR). However, recent conversations appear to be leading to an improvement.
 - Slow progress with certain safety related projects in the Signalling, Electrical and Telecoms (SET) Department. Both resource and leadership issues in that department need to be addressed.

- 4582.4** The discussion broadened out and covered the following matters:
- CRR's Annual Report to the Minister.

- Importance of having the confidence of the wider public.
- Successful delivery of the Grand Canal Dock Project.
- Progress on the project to enhance the payroll system.

- [REDACTED] **Mr. Franks**

4582.5 Mr. Franks outlined his objectives for 2017. These were discussed and the board asked that a 6 monthly report be brought to the board on progress with respect to these. It was suggested that the number of key performance indicators (KPIs) for reporting to the board could be reduced. However, the safety KPIs should be listed first. **Mr. Franks**

4583 RISK REVIEW

Mr. Cronin, Mr. Culligan, Mr. Cunningham, Mr. Glynn, Mr. Lynch, Mr. Masterson and Mr. Meade joined the meeting at this time.

4583.1 The Risk Review documentation previously circulated was taken as read and noted. The Chairman thanked directors for their input to this work.

4583.2 Mr. Glynn outlined the following:

- Overview of approach to risk management,
- Risk Appetite,
- Risks highlighted by directors.
- Risk Register and
- Risk Detail Reports.

4583.3 Matters discussed included the following:

- The risk management process should remain with senior management and not rolled out further for the moment.
- The CRR appears to be comfortable with the new risk management system following discussions between him, Mr. Cronin and Mr. Glynn.
- Vast improvement with the new risk management system compared with the previous Enterprise Wide Risk Management System. It is much more user friendly at board level. It was noted that great credit for the implementation of the new system goes to Mr. Glynn.
- Mechanisms are in place to ensure that lower levels of the organisation are feeding information up to the senior management level. In addition, staff are aware that the outcome feeds up to board level.
- The company's Risk Appetite is derived from the strategic business plan. It is stated within the Risk Management Framework.
- There was much overlap between the risks highlighted by directors and the risks already identified by senior management.

- [REDACTED]

- Crisis management simulation exercises as part of risk mitigations. While a documented process may exist there may not have been simulation exercises for some of them.
- Cyber security risk.
- Risks that may arise from the 4th Railway Package.
- Whether the company does everything it can to identify revenue fraud.
- Reports outlining the movement of risk over the past 12 months are good because they prove the system is dynamic and not moribund.

4583.4 The Chairman thanked directors for their contribution and Mr. Glynn for the production of a very comprehensive report.

Mr. Glynn left the meeting at this time.

4584 VALUES AND STRATEGY

Ms. Bidina McCabe, Mr. Sheldon Norton, Mr. Michael Reidy and Ms. Melissa Scully joined the meeting at this time.

4584.1 The memorandum previously circulated was taken as read and noted. A document from Deloitte was circulated by Ms. Scully.

- 4584.2 Ms. Scully introduced this agenda item by emphasising the importance of the board's role in setting the tone from the top. This involves promoting and supporting both a company culture and also a board culture.
- 4584.3 **Mission, Vision and Values**
Mr. Norton gave a presentation on the company's mission, vision and values. He covered the following matters:
- Chronology of meetings that took place to develop the mission, vision and values.
 - How the company's mission, vision and values should be embedded via:
 - Leadership Development Programme.
 - Masterclasses and quality improvement teams.
 - Values workshops and projects.
 - Looking forward and next steps.
- 4584.4 Matters discussed included the following:
- Whether the quality improvement teams have a shelf life.
 - How the value project teams can be supported and the extent of their freedom to act.
 - How to support the overall project after the masterclasses have concluded. The momentum must be maintained into the future.
 - The requirement for an infrastructure and funding to ensure delivery of objectives that have been set.
 - Need to report against the programme.
 - Not all managers are good at valuing their staff e.g. the manner in which they recognise the 25 years' service milestone or 100% attendance levels. A universal approach and consistency is required with respect to this.
 - How to involve mobile employees.
- 4584.5 **Initial thoughts on the Five Year Plan**
The memorandum previously circulated was taken as read and noted.
- 4584.6 The Chairman suggested that the unsustainable funding scenario documentation should now be kept out of the next Five Year Plan and focus concentrated on the limited and appropriately funded scenarios.
- 4584.7 Mr. Reidy outlined the initial thoughts on the content of the 2017 Five Year Plan based on the three aforementioned funding scenarios. He categorised the proposed content across the five values that had been identified when the company was developing its mission, vision and values:
- Always Safe,
 - Proud of our Past and Passionate about our Future,
 - Customers at the Heart of our Business,
 - Iarnrod Eireann One Team and
 - Valuing our People.
- 4584.8 Mr. Reidy outlined the various projects that could be carried out depending on funding levels.
- 4584.9 Matters discussed included the following:
- The need to start conditioning the stakeholders on the fleet strategy and the funding that would be required to replace fleet from 2024 onwards. It was agreed that a fleet strategy paper should be presented to the board in either March or April 2017. **Mr. Smyth**
 - Iarnrod Eireann would push the case towards the requirement for an appropriately funded scenario.
 - The potential cost of re-signalling lightly used lines should be put into the CIE response to the Rail Review document. **Mr. Dunne and Mr. Franks**
 - The appropriately funded scenario should be restricted to items needed to address the existing asset base. Items that are intended to enhance the network and requiring capital grants should be listed separately. **Mr. Franks**
 - Consideration should be given to whether a case should be made for a separate stand alone programme for the implementation of an automatic train protection (ATP) system. Mr. Franks agreed to consider this issue in advance of the Five Year Plan being presented to the board in May 2017. **Mr. Franks**
 - The board asked for information on the car parking issues that may arise from further growth in passenger demand. **Mr. Franks**

4585 BOARD VALUES, ETHICS AND OBJECTIVES

4585.1 Values and Ethics

Ms. Scully referred to the many references to values and ethics in the Code of Practice for the Governance of State Bodies. She outlined practical steps and gave guidance for developing board values and ethics. She gave examples of board values and ethics of an Irish State Body, an Irish charity, the UK NHS Trust organisation and a UK public sector transport organisation. She stated that there is a general shift towards more behaviour focused values and outlined the key attributes of effective good practice behaviours and dynamics. She stated that the board should consider the organisations' values and its own values and identify how the two can be aligned.

4585.2 The Chairman stated that in his view the board should endorse and support the company's values and these should be overlaid by the board's own values. He felt that there should be an ethical approach to everything the board does and consideration should be given to:

- Diversity within the board and how this is reflected into the organisation.
- Oversight and control so that the company can be guided into financial sustainability.
- Protection of the shareholder's interests and the funding from the tax payers.

4585.3 Other matters and potential values discussed included the following:

- Whether the board agenda focuses on areas of highest risk and consequence.
- Transparency and confidentiality at board level so as to facilitate the board in making meaningful contributions to significant policy documents such as the Rail Review without the fear of leaks.
- Duplication of the company value of "Always Safe".
- Ethical approach to business covering procurement and people.
- Duty to protect the shareholder's and taxpayers' investment i.e. the board is the custodian.
- Treatment of staff and customers in a fair way.
- The board's role to grow and enhance the company i.e. good stewardship.
- The board's dual role to support and challenge management.

4585.4 Board Objectives

Ms. Scully gave details of good practice and examples of board objectives. She emphasised that objectives are broader than values and ethics. She reminded the board that three objectives had already been identified during the board evaluation exercise carried out in 2016 as follows:

- Financial sustainability.
- Remaining in public ownership and securing State funding and improving safety within the current level of finance.
- Benchmarking with other railways and improving relations with staff.

4585.5 Other objectives considered by the board included:

- Increasing stakeholder engagement.
It was agreed to invite the Chief Executive of the National Transport Authority to attend a meeting. **Mr. Franks**
- Progress the Rail Review and influence the outcome as much as possible so as to achieve greater financial sustainability.
- Chairman to continue working on getting all board vacancies filled. **Chairman**
- Pursue the training and development needs of directors.
- Ensure sufficient engagement between directors, management and staff.
- The provision of regular reports to the board on the relationship with the CRR including a map for dialogue with the CRR. **Mr. Franks**
- Formulate a position and try and influence the outcome of the implementation of the 4th Railway Package.
It was noted that AD Little would be reporting back to the board at the end of Quarter 1 2016.
- Regular reporting to the board on the progress with succession planning. **Mr. Franks**
- An outline of the scope of the fleet strategy to be presented to the board by the end of Quarter 1. **Mr. Smyth**
- Iamrod Eireann to produce a facts based Safety Report for 2016 for submission to the DTTAS. **Mr. Power**
- Continue to support the risk management process.
- Ensure the Organisation Design, Customer First and Payroll Projects are progressed.
- More attention at board level on pension issues (financial and industrial relations).

- Environmental sustainability should be reported at board level. Consideration could be given to linking it into the Safety Report. **Mr. Power**

4585.6

Following further discussion it was agreed that management should come up with a way of measuring cultural change. Ms. Scully stated that there are metrics in this area that could be used. Mr. Norton agreed and stated that there is a survey measurement for the various programmes under way in the company including the Leadership Development Programme. Ms. Scully advised that Audit Committees are increasingly playing a key role in the area of cultural change especially with respect to Whistleblowing etc. **Mr. Franks**

4586

ANY OTHER BUSINESS

4586.1

[REDACTED]

4587

DATE AND LOCATION OF NEXT MEETING

Tuesday 7th February 2017 in Heuston.

Chairman _____

Date _____

STRICTLY PRIVATE AND CONFIDENTIAL

**IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986**

IARNRÓD ÉIREANN - IRISH RAIL

**MINUTES OF THE THREE HUNDRED AND ELEVENTH
BOARD MEETING HELD ON TUESDAY 7TH FEBRUARY 2017
AT 9.30AM IN HEUSTON STATION**

PRESENT:	Mr. Phil Gaffney	Chairman
	Mr. Frank Allen	Director
	Ms. Carolyn Griffiths	Director
	Mr. Mal McGreevy	Director
	Mr. John Moloney	Director (part)
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Bob Clarke	Chairman, Infrastructure Advisory Group
	Mr. Aidan Cronin	Chief Financial Officer
	Mr. Gerry Culligan	Commercial Director
	Mr. Don Cunningham	Director Infrastructure Manager
	Ms. Kay Doyle	Head of Infrastructure Manager Safety (part)
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Sean Geoghegan	Railway Undertaking Safety Manager (Interim) (part)
	Mr. Jim Meade	Director Train Operations
	Mr. Peter Muldoon	Manager Operations and New Works (part)
	Mr. Michael Power	Acting Safety Advisor (part)
	Mr. Colm Reynolds	Chief Procurement Officer (part)
	Mr. Mike Sowden	Chairman Designate, Infrastructure Advisory Group

MIN NO.

4588 DECLARATIONS OF CONFLICT OF INTERESTS

4588.1 No conflicts of interests were declared.

4589 MINUTES

4589.1 The Minutes of the meeting held on 6th December 2016 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings subject to the following amendment:

Minute 4573.15

Add to the first bullet point:

“The management team undertook to check for other locations with similar risks.”

4589.2 The Minutes of the meeting held on 17th January 2017 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings.

Mr. Moloney joined the meeting at this time.

4590 CHAIRMAN'S COMMENTS

4590.1 The Chairman advised that this was Mr. Clarke's last attendance at a board meeting. He had decided to step down as Chairman of the Infrastructure Advisory Group (IAG) after four and a half years. The Chairman, on behalf of the board, thanked Mr. Clarke for all the advice and input he had provided over the years. He stated that there was no better testament to this than a successful ballast cleaning programme on the Cork Line (which was better than budget) and

the completion of rail milling activities. Both of these programmes owe a lot to Mr. Clarke's advice and influence.

4590.2 The Chairman then introduced Mr. Mike Sowden who would be taking over as Chairman of the IAG and who was sitting in at this board meeting in order to gain a better understanding of the company. The Chairman outlined Mr. Sowden's wide experience as a civil engineer and infrastructure manager in the UK. It was noted that the timing of Mr. Sowden's arrival was good given the recent issue of the Rail Review.

4590.3 The Chairman stated that he had been advised by the Department of Transport, Tourism and Sport (DTTAS) that the request for filling the three vacant board positions is on the Minister's desk, awaiting submission to the Public Appointments Service (PAS). He stated that he was pushing the DTTAS for progress

4590.4 The Chairman referred to the financial and IR situation in Bus Eireann. That company is facing a very difficult situation and much hard work will be required to prevent a deterioration. He also referred to media commentary on the possibility of the IR issues spreading to Bus Atha Cliath and Iarnrod Eireann. He stated that this should not happen. However, Iarnrod Eireann was at the Workplace Relations Commission (WRC) on 6th February 2017 regarding its own issues. These are stand alone and should not be influenced by what is happening in Bus Eireann.

4590.5 The Chairman advised that he had met with the Chairman of NI Translink, Mr. Frank Hewitt. The meeting was at Mr. Hewitt's request to discuss his concerns about the Enterprise contract. Mr. Hewitt has since written a letter, a copy of which has been circulated to directors. The Chairman stated that he had advised Mr. Hewitt that he would bring his concerns to the Iarnrod Eireann board. In addition, the Chairman stated that he had invited Mr. Hewitt and the NI Translink board to Dublin after the Northern Ireland Assembly elections. The Chairman stated that he would consider this to be a useful exercise in the continuing development of the long term relationship and strategy with the NI Translink Group.

4591 CHIEF EXECUTIVE'S REPORT

4591.1 The Chief Executive's Report previously circulated was taken as read and noted.

4591.2 Mr. Franks presented his report and referred to the following items:

- Recent longest ever signals passed at danger (SPAD) free performance.
- Sign off from the Commissioner for Railway Regulation (CRR) is still awaited in respect of outstanding safety audit recommendations.
- Increase in third party accidents due partly to the increase in passenger journeys.
- Year on year growth in passenger journeys of approximately 8%.
- The need to provide sufficient fleet capacity to meet the increase in passenger demand during 2017.
- Increase in claims provisions for 2016 arising from a recent actuarial review.
- Punctuality performance was ahead of target during 2016.
- Many of the responses in the Rail Review consultation process relate to lightly used lines. Ms. Anne Graham, Chief Executive, National Transport Authority (NTA) has accepted an invitation to attend an Iarnrod Eireann board meeting when all responses have been assessed. Mr. Franks has been invited to attend a NTA board meeting.
- The importance of dialogue and discussion between the NTA and Iarnrod Eireann on proposals, (especially those which have financial implications for Iarnrod Eireann) in advance of their submission to the NTA board, was emphasised.
- It was agreed that a copy of the Rail Review document should be given to Mr. Sowden.
- Meetings are being set up with the DTTAS, the NTA and the CRR to discuss the emerging findings of the AD Little review into the 4th Railway Package.
- The existing CRR authorisation in respect of the Infrastructure Manager (IM) and certificate in respect of the Railway Undertaking (RU) are due for renewal in March 2018.

Mr. Franks

4591.3 Finance

Mr. Cronin summarised the Financial Results for 2016 as follows:

- The company incurred a net loss of ██████████ during compared to a forecasted loss of ██████████.

- Passenger revenue for 2016 was the highest ever recorded by the company. This was boosted by some non-recurring items such as the 1916 Centenary celebrations and the impacts of industrial disputes in the Luas and Bus Atha Cliath during the year.
- Passenger journeys at 42.8 million for 2016 represented an increase of approximately 8% on 2015.
- Multi annual contract (MAC) and public service obligation (PSO) funding from the Government were in line with forecast (including additional funding of [REDACTED] advised in October 2016). However, a further unexpected [REDACTED] was received in December 2016 from the NTA.
- Gross expenditure of [REDACTED] during 2016 was better than forecast by [REDACTED]. Marginally more maintenance work was done during 2016 than forecast. This was compensated for by completing less capital works.
- The forecasted cash usage for 2016 was [REDACTED]. However, actual cash generated was [REDACTED] giving a favourable cash variance of [REDACTED]
- Working capital as at 31st December 2016 was lower than prior year due to the timing of project material usage and the timing of receipts from debtors.
- Shareholders' Funds at 31st December 2016 were [REDACTED], down [REDACTED] on the same time last year. Net assets as a percentage of called up share capital reduced to 21.2% at the end of 2016.
- The external audit is under way and it is expected that audited accounts for 2016 will be presented to the board for approval at its next meeting on 29th March 2017.
- Claims provisions were increased as at the end of 2016 due to the outcome of an actuarial review

4591.4 It was noted that the actuarial valuation of the pension schemes was not yet complete. While it was acknowledged that any provisions in respect of the pension schemes would be shown in the accounts of the CIE Holding Company and not in the accounts of Iarnrod Eireann, it was agreed that an update on pension matters should be provided at the next Iarnrod Eireann board meeting. **Mr. Dunne**

4591.5 **Train Operations**

Mr. Meade outlined the key areas of focus for the RU as follows:

- SPAD management including:
 - Implementation of recommendations from both the Driver Reminder Appliance (DRA) Human Factors Report and the SPAD Human Factors Report.
 - Driver workshops and briefings.
 - Organisation design changes to the supervision and management of drivers.
- Driver recruitment and mentoring.
It was agreed that both past productivity and mentoring of trainees could be brought to the Labour Court, but as separate issues.
- A paper is to be presented at the next meeting outlining measures to tackle fleet capacity issues. **Mr. Smyth**
- Enterprise performance is improving.
- Fleet Wi-Fi performance is also improving.
- The company was awarded two Silver and two Gold Whistles in the recent Golden Whistle Awards.
- Work is ongoing to address the suspension bearing issue on the 201 locomotives. Checking is continuing including acoustic monitoring.
- Lean management is operating throughout the RU. It is being moved up to the next level in Inchicore. Lean management will be linked into the Leadership Development Programme so that personnel will be able to note that this initiative is not being abandoned. It was noted that organisational design changes will also facilitate this.

4591.6 **Infrastructure Manager (IM)**

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- Ballast cleaning on the Cork Line and on the Dublin/Belfast Line north of the border.
- Rail milling activity planned for 2017.
- Required line closures so as to facilitate the Limerick Re-signalling Project and other maintenance and renewal works. This needs to be managed carefully so as to avoid negative comment in the local media.
- Threat of court proceedings [REDACTED] in respect of a dispute dating back to 2004 [REDACTED]

[REDACTED] . A

provision was made in the Financial Statements in 2004 in respect of this dispute. It was agreed that the Audit and Risk Review Group (ARRG) should examine the matter.

Mr. Allen

- The City Centre Re-signalling Phase 3 wrong side failures will be considered in detail at the next Safety Advisory Group (SAG) and IAG meetings. The SAG will be looking at any underlying issues to ensure that there are no systemic issues that are not being addressed. The Chairman referred to advice received from Mr. Bruce McDougal, an expert in the field.
- Discussions are continuing with Alstom in respect of a technical solution to deal with the maintenance of critical signalling equipment in Central Traffic Control. Alstom is willing to support a 10 year interim phase. However, a contract for this would be required under derogation (existing supplier). It was noted that a special board meeting (perhaps by telephone) may be required to approve the contract in advance of the next scheduled board meeting.

4591.7 Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- Testing problems have been encountered with the first phase of the Customer First Programme. Therefore, it is not likely to go live at the end of February as originally planned.
- Phase 2 of the Customer First Programme is progressing well.
- Unfortunately, the Belmond Grand Hibernian Tour did not win an award at the recent Irish Tourism Industry Awards.
- Northern Ireland Railway's (NIR's) concerns about the Enterprise contract were discussed in detail. While it was accepted that Mr. McGreevy did not have conflict of interest in this matter given his previous employment with NIR, he was able to give an insight into their thinking and reasoning. However, management were of the view that the empirical data shows that the current split of revenue for the contract is correct and there is no logic for additional revenue to be allocated to NIR. It was emphasised that the majority of miles (and, therefore, costs) were consumed south of the border even though revenue was collected north of the border. It was noted that the relationship with NIR must be maintained and strengthened. However, money cannot be thrown away without an underlying logic. Following further discussion it was agreed that Mr. McGreevy, Mr. Franks and Mr. Cronin would meet to discuss the matter and then revert to the Chairman.

Mr. Cronin, Mr. Franks and Mr. McGreevy

It was agreed that in the meantime, the Chairman would issue a holding letter in response to the letter received from Mr. Hewitt.

Chairman

Mr. Moloney left the meeting at this time.

4592 SAFETY

Ms. Kay Doyle, Head of IM Safety, Mr. Sean Geoghegan, RU Safety Manager (Interim) and Mr. Michael Power, Acting Safety Advisor, joined the meeting at this time.

4592.1 The Chairman advised that Mr. Brendan Smith, former RU Safety Manager, had retired. The board expressed its thanks to him for the work which he carried out in developing safety management in the company.

4592.2 Safety Plan 2016

The Report on the Safety Plan 2016 previously circulated was taken as read and noted.

4592.3 Ms. Griffiths advised that this report had not yet been reviewed by the SAG. Any comments at today's meeting would be considered by the SAG.

4592.4 Mr. Power outlined the key actions taken during the year under the Safety Leadership Programme. He referred to the following:

- "Accident Free Depends on Me" campaign.
- Safety Awards Scheme.
- Engagement with Safety Representatives.
- Review of Safety Management System standards.
- Safety tours.
- Follow up to the 2014 AD Little Independent Strategic Review.

4592.5 Mr. Geoghegan outlined the key initiatives carried out in the RU and referred in particular to third party accidents, fleet initiatives and SPADs.

- 4592.6** Ms. Doyle outlined the key initiatives carried out in the IM and referred to the following:
- Designs and testing of an automatic Train Protection System (TPS).
 - Technological enhancements to reduce risk at user operated level crossings.
 - New twin flashing lights for advance warning boards for temporary speed restrictions (TSRs).
 - Daily updates in respect of TSRs.
 - Rail milling.
- 4592.7** The following matters were discussed:
- Process for updating drivers on TSRs.
In response to Mr. Wynne, Mr. Meade promised to follow up on cases where TSR information is not getting through to drivers. **Mr. Meade**
 - Progress is being made with the CRR on a path to reach agreement regarding the type of lights to be used at level crossings.
 - Progress with the testing of the TPS.
- 4592.8** Ms. Griffiths stated that the Safety Plan 2016 report indicated Iarnrod Eireann had carried out what it had planned to do during the last year. She stated that next week's meeting of the SAG would consider the following matters:
- The underlying safety issues relevant to the Tara St. incidents with reference to the investigation outcomes.
 - Safety Plan 2017.
 - Evaluation of safety and interim proposals whilst awaiting implementation of TPS.
- 4592.9** **Health and Safety Plan 2017**
The memorandum previously circulated was taken as read and noted.
- 4592.10** Mr. Power advised that the plan for 2017 is based on the safety plans of the IM and the RU. It takes account of the risk profile of the organisation and adverse trends which occurred during 2016 (e.g. customer accidents, bridge strikes and lost time accidents (LTAs)).
- 4592.11** Mr. Geoghegan advised that the key risk areas to be addressed under the RU Plan include:
- Recommendations of the SPADs Human Factors Study.
 - Customer accidents including those at platforms/train interfaces
The Chairman stated that the investment required to address platform/train interface issues needs to be calibrated. Ms. Griffiths agreed stating that hot spots should be identified as any investment needs to be cost beneficial. **Mr. Geoghegan**
 - Train defects.
 - Employee and customer accidents.
- 4592.12** Ms. Doyle referred to the cost effective interim technical solutions which are being sought under the Safety Plan for 2017. These relate to automatic train protection and the enhancement of user worked level crossings. The Chairman stated that the interim measures, particularly in respect of the TPS, should be built into this plan. **Ms. Doyle**
- 4592.13** The Chairman stated that the Health and Safety Plan 2017 would now go the SAG for consideration. However, he noted the good progress and was satisfied with the visibility at board level. It was agreed that progress reports would be presented during the year.
- 4592.14** **Health and Safety Policy 2017**
The memorandum previously circulated was taken as read and noted.
- 4592.15** Mr. Power outlined the changes to the Safety Policy 2016 that are being incorporated into the Health and Safety Policy 2017. It was noted that these were subtle changes in language rather than substantive policy changes.
- 4592.16** The board gave its approval for the Health and Safety Policy 2017.
- 4592.17** **Response to the Commission for Railway Regulation (CRR) Annual Report 2015**
The memorandum previously circulated was taken as read and noted.
- 4592.18** Mr. Franks advised that the proposed response to the CRR Annual Report for 2015 (published on 21st December 2016) sets the record straight on a number of matters. In particular no safety matters are held back from the board, as incorrectly stated by the Minister recently.

4592.19 Following discussion it was agreed that this response should be sent to the DTTAS. The Chairman stated that while Iarnród Eireann is committed to improving the relationship with the CRR and to improving safety within Iarnród Eireann, he did not want the CRR's 2015 Annual Report to be the only document on the record in respect of 2105. Hence the response which would now be submitted to the DTTAS. The Chairman agreed to write to the Secretary General of the DTTAS reinforcing Iarnród Eireann's commitments. **Chairman**

Ms. Doyle, Mr. Geoghegan and Mr. Power left the meeting at this time.

4593 **ADVISORY/POLICY PAPERS**

4593.1 **Infrastructure Advisory Group (IAG)**

The Report from the Chairman of the IAG previously circulated was taken as read and noted.

4593.2 The Chairman of the IAG, Mr. Clarke, advised of the following matters recently considered by the IAG:

- TPS – if funding is constrained there are other options.
- Signalling, Electrical and Telecoms (SET) performance – the overall long term moving average of SET faults is showing a reduction but the number of wrong side track circuit failures during the leaf fall season showed a slightly worsening trend.
- East coast – a longer term strategic approach is required to address coastal erosion and flood damage. It was agreed that a presentation would be given to the board later in the year. **Mr. Cunningham**
- The rail milling programme has been very successful.
- Iarnród Eireann had an asset with huge potential to further improve journey times.

4593.3 In conclusion, Mr. Clarke stated that it had been very enjoyable to work with the management and the board of Iarnród Eireann. He felt that now was the time to step down as Chairman of the IAG and that the board would benefit from a fresh pair of eyes. The Chairman thanked Mr. Clarke stating that the board had benefited greatly from his expertise and this had resulted in material benefits. The Chairman specifically thanked Mr. Clarke for the way in which he had gone about his work.

4593.4 **Organisation Design Steering Group (ODSG)**

The Report from the Chairman of the ODSG previously circulated was taken as read and noted.

4593.5 The Chairman of the ODSG, Mr. McGreevy, advised of the following matters recently considered by the ODSG:

- Update on the recruitment for new positions.
- The design for frontline customer services has been completed and is expected to be implemented by June 2017.
- Design work is in progress on Work Package 2 changes which include the establishment of new supervisory arrangements for drivers and new IM operations and the positioning of competency assessment in line management functions for engineering teams.
- Arrangements are being made to meet with the DTTAS, the NTA and the CRR on the emerging findings of the AD Little review of the 4th Railway Package.
- Activity levels are ramping up in the area of programme management and governance.

4593.6 In response to the Chairman, Mr. McGreevy confirmed that a further communications exercise is required with the CRR in respect of the proposed revision of Standard 13.

4593.7 **Train Protection System (TPS) Risk Evaluation**

Mr. Peter Muldoon, Manager Operations and New Works, joined the meeting at this time.

4593.8 The memorandum previously circulated was taken as read and noted.

4593.9 Mr. Muldoon advised that there were two cash flow options for this project which were being risk evaluated:

- [REDACTED]
- [REDACTED]

4594.5 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

4594.6 [REDACTED]
[REDACTED] **Mr. Cronin**

4594.7 **Closeout Reports**
The two memoranda previously circulated were taken as read and noted.

4594.8 The board gave its approval for the closeout of the following IM projects:
(a) Automatic ticket vending machines, security shelters and associated fibre network upgrade.
(b) Carrigtwohill West Station Developer Agreement.

Mr. Muldoon left the meeting at this time.

4595 **PROCUREMENT**
Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4595.1 **Procurement Report**
The Procurement Report for Period 13 2016 previously circulated was taken as read and noted.

4595.2 Mr. Reynolds advised that there was one report of non-compliance during Period 13 2016. This took place in the General Works in Inchicore. For every contract there should be one person responsible and it should be operated within the SAP system. However, in this case a number of people were drawing off the contract.

4595.3 The Chairman and Mr. Allen, the Chairman of the ARRG, stated that this was very disappointing given the good progress that had been made in this area in recent times.

4595.4 **Selection and Award Criteria**
The memorandum previously circulated was taken as read and noted.

4595.5 **Media Planning and Buying Services**
The board gave its approval for the selection and award criteria as presented to facilitate the running of a tender process on behalf of the CIE Group of companies for the award of a contract for media planning and buying services for a period of up to five years.

It was noted that:

- The estimated spend over a five year period [REDACTED].
- The funding source for this contract will be the operational budgets of the three CIE operating companies.

4595.6 **Award Criteria**
The memorandum previously circulated was taken as read and noted.

4595.7 **Creative Advertising Services**
The board gave its approval for the award criteria as presented to facilitate the running of a tender process leading to the award of a contract for creative advertising services for a period of up to five years at an estimated [REDACTED].

It was noted that the funding source for this contract will be the operational budget of Iarnród Éireann.

4595.8 **Procurement Timetable**
The Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Reynolds left the meeting at this time.

4595.9 Revenue (Supply Side) Contracts

The two memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4595.10

[REDACTED]

4595.11

[REDACTED] **Mr. Culligan**

4595.12

Supply of a Ballast Cleaning Machine and Spoil Wagons to NI Translink

The entry into a contract with NI Translink (NIR) for the supply of a ballast cleaning machine and 13 spoil wagons generating a revenue to Iarnrod Eireann of approximately [REDACTED] over three years.

4596

ADMINISTRATIVE ITEMS

4596.1

Transactions for Approval, Sealing/Signing

The transactions (7) for approval and sealing at the meeting were approved and sealed.

Appendix I

The transactions (3) for approval and signing at the meeting were approved and signed.

Appendix II

4596.2

Changes to Corporate Governance Documents

The memorandum previously circulated was taken as read and noted.

4596.3

The board gave its approval for the following:

1. (a) A revised Schedule of Matters Reserved for Iarnrod Eireann Board Approval and
(b) The update of the Corporate Governance Manual accordingly.
2. (a) Revised document in respect of Information to be Received by Directors and
(b) The update of the Corporate Governance Manual accordingly.
3. (a) Revised Terms of Reference for the Audit and Risk Review Group and
(b) The update of the Corporate Governance Manual accordingly.

4596.4

The board noted following Corporate Governance documents recently revised and approved by the CIE Board:

- Schedule of Matters reserved for CIE Board Decision.
- Statement on Project Appraisal.
- CIE Group Protected Disclosure Policy.
- Legal Disputes involving other State Bodies.

4596.5

The board asked for greater visibility on legal disputes in which it is engaged. It was agreed that the Group Solicitor should provide information in this regard.

Mr. Costello

4597

ITEMS FOR NOTING

4597.1

Chairman's Reports to the Minister

The Chairman's Reports to the Minister following the board meetings on 6th December 2016 and 17th January 2017 previously circulated were taken as read and noted.

4597.2

Legislation and Government Publications

The Notice from CIE in respect of proposed amendments to the Statutory Instruments relating to CIE's two pension schemes previously circulated was taken as read and noted.

4597.3

Minutes of Advisory Group Meetings

The Minutes of the following Advisory Group meetings previously circulated were taken as read and noted:

- (a) Organisation Design Steering Group Minutes 22nd August 2016
- (b) Infrastructure Advisory Group Minutes 25th November 2016.
- (c) Trains Advisory Group Minutes 21st November 2016.

4597.4 **Rolling Agenda for 2017**

The memorandum previously circulated was taken as read and noted.

4598 **ANY OTHER BUSINESS**

In response to Mr. Wynne it was confirmed that the Belmond service starts on 16th April 2017 and the recruitment of new drivers is being advertised.

Mr. Cronin, Mr. Culligan, Mr. Cunningham, Mr. Dunne, Mr. Franks and Mr. Meade left the meeting at this time.

4599 **PRIVATE SESSION**

4599.1 The memorandum listing topics raised at the last meeting on 17th January 2017 previously circulated was taken as read and noted. It was agreed that:

- The list of values would be updated and circulated for comment. **Chairman**
- Items on the memorandum would be linked to the rolling agenda for 2017. **Ms. McCabe**
- The matters of resources and leadership in the SET Department should be included in the memorandum. **Ms. McCabe**

4599.2 A discussion took place on the status of the Iarnrod Eireann pay talks. It was agreed that every effort should be made to prevent a strike. Mr. Wynne stated that there was no reason why both the past productivity and driver mentoring issues should not go to the Labour Court together. The Chairman accepted this but stated that it must be understood that the two issues cannot be linked.

4600 **DATE AND LOCATION OF NEXT MEETING**

Wednesday 29th March 2017 at 9.30 a.m. in Heuston Station.

Chairman _____

Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

1. [Redacted]

2. [Redacted]

3. [Redacted]

4. [Redacted]

5. [Redacted]

6. [Redacted]

7. [Redacted]

TRANSACTIONS FOR APPROVAL AND SIGNING

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

Company Secretary
Iainr d Eireann
7th February 2017

STRICTLY PRIVATE AND CONFIDENTIAL

**IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986**

IARNRÓD ÉIREANN - IRISH RAIL

**MINUTES OF THE THREE HUNDRED AND TWELFTH
BOARD MEETING HELD ON WEDNESDAY 29TH MARCH 2017
AT 9.30AM IN HEUSTON STATION**

PRESENT:

Mr. Phil Gaffney	Chairman
Mr. Frank Allen	Director
Mr. Carolyn Griffiths	Director
Mr. Mal McGreevy	Director
Mr. Tommy Wynne	Director

IN ATTENDANCE:

Mr. Declan Carlyle	Manager, Group Human Resources, CIE (part)
Mr. Aidan Cronin	Chief Financial Officer
Mr. Gerry Culligan	Commercial Director
Mr. Don Cunningham	Director Infrastructure Manager
Mr. Cyril Dunne	Chief Operating Officer, CIE
Ms. Geraldine Finucane	Company Secretary
Mr. David Franks	Chief Executive
Mr. Ronan Glynn	Safety, Technical & Approvals Manager (part)
Mr. Aidan Kennedy	Actuary, Aon Hewitt (part)
Mr. Jim Meade	Director, Train Operations
Mr. Brian O'Meara	Operations Planning Manager (part)
Mr. Cliff Perry	Member, Safety and Trains Advisory Groups (part)
Mr. Colm Reynolds	Chief Procurement Officer (part)
Ms. Evelyn Ryder	Investment Manager, Aon Hewitt (part)
Mr. Peter Smyth	Chief Mechanical Engineer (part)

APOLOGIES: Apologies were received from Mr. John Moloney.

MIN NO.

4601 DECLARATIONS OF CONFLICT OF INTERESTS

4601.1 No conflicts of interests were declared.

4602 MINUTES

4602.1 The Minutes of the meeting of the meeting held on 7th February 2017 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings subject to the following amendment:

Minutes 4592.8

Replace:

"Ms. Griffiths stated that Iarnród Éireann had carried out what it had planned to do under the Safety Plan 2016. She stated that next week's meeting of the SAG would consider the following matters:

- Safety key performance indicators (KPIs) which are going the wrong way.
- Safety Plan 2017.
- External measurement of safety culture."

with:

“Ms. Griffiths stated that the Safety Plan 2016 Report indicated that Iarnród Éireann had carried out what it had planned to do during the last year. She stated that next week’s meeting of the SAG would consider the following matters:

- The underlying safety issues relevant to the Tara St. incidents with reference to the investigation outcomes.
- Safety Plan 2017.
- Evaluation of safety and interim proposals whilst awaiting implementation of TPS.”

4602.2 It was noted that this amendment had already been made in the Minute Book.

4602.3 The Chairman confirmed that the timetable for the 2018 Safety Plan would be amended as suggested by Ms. Griffiths.

4602.4 **Outstanding Action Items**

The memorandum previously circulated was taken as read and noted.

4603 **CHAIRMAN’S COMMENTS**

4603.1 The Chairman advised that he, Ms. Griffith and Mr. McGreevy, met the Commissioner for Railway Regulation (CRR) on 8th March 2017. The meeting was cordial and covered a lot of ground. The way forward was agreed on a number of issues. The focus for 2018 will be on re-certification/authorisation. This will be driven by Mr. Franks, Mr. Cunningham and Mr. Meade.

4603.2 In response to Mr. Allen, the Chairman confirmed that the 4th Railway Package Directive did not come up during the meeting with the CRR. However, separate briefing sessions will be arranged for him and for the Department of Transport, Tourism and Sport (DTTAS).

4603.3 It was noted that other matters to be addressed include:

- Other items which the CRR considers to be still open and
- The need to define what is meant by the Safety Management System (SMS) being an “enabling” document.

4603.4 It was noted that there are still three board vacancies. The selection process is due to commence next week in respect of one of these vacancies. The recommendation made last year in respect of the finance vacancy is being progressed. There is a slight difference of opinion with the Minister as to the type of experience that is required in respect of the third vacancy. Separately there is a question as to whether the Chairman needs to be involved in the interviews of the long list of applicants as distinct from the short list.

4603.5 The board noted media commentary in respect of the Bus Éireann industrial dispute. The Chairman stated that the dispute should stand on its own. Iarnród Éireann management and staff should keep out of it.

4604 **CHIEF EXECUTIVE’S REPORT**

4604.1 The Chief Executive’s Report previously circulated was taken as read and noted.

4604.2 Mr. Franks presented his report and referred to the following items:

- The first signal passed at danger (SPAD) since September 2016 occurred on 22nd February 2017.
- Four employee lost time accidents (LTAs) occurred during Period 2 2017. Mr. McGreevy stated that care must be taken to ensure that injuries which occur off site are not imported onto the scene.
- Vehicle recognition cameras are to be installed at another three level crossings.
- DART punctuality was below target during the period due to poor weather and timetable issues during the evening peak, a matter which can be resolved by the 10 minute DART timetable.
- The payroll project is up and running. Milestones have been set. The new system is expected to go live during 2019. It should resolve outstanding audit concerns. However, it will require changes to the way things are done and a dialogue has commenced with the trade unions in this regard.
- The Labour Court is to hear a submission on a claim for a pay increase on 24th May 2017.

- [REDACTED]

4604.3

Matters discussed included the following:

- An external review will be carried out later in the year on the revisions to the design of the City Centre Re-signalling Project.
- Monitoring of potential ghost signals is continuing.
- The main cause of the delay to the National Train Control Centre Project relates to planning issues. However, additional signalling, electrical and telecoms (SET) staff will be required to enable the project to proceed.

4604.4

Finance

Mr. Cronin presented the Finance Report for Period 2 2017 and referred to the following matters:

- The company incurred a loss of [REDACTED] during Period 2 2017 compared to a budgeted loss of [REDACTED]. The year to date loss amounts to [REDACTED] compared to a budgeted loss of [REDACTED].
- There were favourable variances during Period 2 2017 on passenger revenue, payroll costs, infrastructure maintenance expenditure and overheads. However, these were offset by reduced public service obligation (PSO) payments, [REDACTED].
- A re-forecast will be required due to changes which occurred since the 2017 budget was approved. These changes relate to:
 - A reduction in the “net financial effect” payments from the National Transport Authority (NTA),
 - Increased funding received in December 2016 for activity during 2017,
 - A revised pricing structure for Irish Ferries and
 - Reduced VAT payable as a result of the recent CIE VAT settlement.
- The cash balance is better than budget due to the early receipt of PSO funding. However, this is a timing issue and will reverse during the year.
- Shareholders’ Funds have reduced by [REDACTED] since the start of the year. They now lie at [REDACTED] at the end of Period 2 2017. Net assets as a percentage of called up share capital has fallen to [REDACTED] at the end of Period 2 2017. This reflects the loss incurred year to date.
- The statutory audit has been completed. The Terms of Reference for the NTA capital audit have been agreed. It is expected to commence shortly.
- A VAT refund of approximately [REDACTED] has been agreed by the Revenue Commissioners with the CIE Group. This will filter back to the operating companies over time via capital projects.

4604.5

Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- An action plan has been prepared to implement the organisation design changes which affect station and on-board staffing levels.
- A quarterly meeting took place with senior Gardai recently. One of the items discussed was the use of social media and to ensure that both parties are delivering the same message to the public.
- Planning is taking place for public transport over the Easter weekend. Events will be taking place in Dublin but not on the same scale as occurred in 2016 for the Centenary commemorations.
- Investigations are being carried out to determine the cause of the failures of a number of Mark 4 carriage sanding bolts. This issue has been put into the risk register.

4604.6

[REDACTED]

4604.7 Mr. Meade advised of a robbery which took place at the Maynooth Station Booking Office on the night of Sunday 26th March 2017. A six figure sum was stolen. An investigation is taking place and Internal Audit have been advised.

It was noted that process issues have been highlighted which need to be addressed. A formal report will be issued to the Gardai in due course.

4604.8 In response to Mr. McGreevy, who raised the issue of the risk of tiger kidnapping, Mr. Meade confirmed that this matter had been considered previously. Cash collection frequency has been increased thereby reducing the level of cash held on site.

4604.9 **Commercial Department**

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- Work has continued to resolve the problems highlighted during user acceptance testing and to complete testing of other non-functional requirements of the Customer First Programme. Progress is being made. A software drop is expected on 31st March 2017.
- Cubic are arguing that some of the problems encountered on the Customer First Programme relate to variations. Iarnrod Eireann disagrees with this and is arguing that the problems relate to inherent defects which have made it impossible to go live. A meeting is to take place on 3rd April 2017 to resolve the matter.
- New €50 bank note is scheduled to enter circulation on 4th April 2017. This will require software upgrades for all ticket vending machines. While not all will be converted on time by Scheidt and Bachmann, the high usage machines will be ready.
- Marks and Spencer Simply Food (M&S) opened in Heuston Station on 23rd February 2017. It has been very well received. M&S are pleased with the trading performance to date. Focus is now being placed on the opening of a second outlet in Connolly Station prior to Christmas 2017.
- The results of the Ernst & Young report into the economic assessment of rail freight commissioned by Iarnrod Eireann will be brought to the board in due course.

4604.10 **Infrastructure Manager (IM)**

Mr. Cunningham outlined the key areas of focus for IM as follows:

- Details of the action plan to address resource requirements in the SET Department were outlined.
- The CRR has issued comments on the Stage 3 approvals application for the proposed automatic Train Protection System (ATPS). In addition, he has agreed to review the Stage 4 submission (testing). At a recent meeting with the CRR, his external consultant, Mr. Gordon Dickson, confirmed that ATPS would be a replacement for a Class A system, whereas the CRR had originally felt it would be the replacement for a Class B system.
- Ballast cleaning took place in Northern Ireland recently. Positive feedback has been received from NIR in respect of the performance of the ballast cleaning machine. It has now returned to the Republic and works are due to commence shortly on the Hazelhatch to Portlaoise and the Portlaoise to Ballybrophy sections of track.
- A follow up meeting is to take place with the CRR regarding the project for the provision of technological enhancements at user worked level crossings.
- The project to remove the worst height restricted bridge (UBL154, Pill Road Bridge, Carrig-on-suir on the N24), which is regularly struck by trucks, has been completed.
- Wearer trials for personal protection equipment (PPE) clothing have been completed. Clarifications are required from tenderers before a final decision can be made.
- Iarnrod Eireann is trying to finalise commercial terms with Alstom regarding the Central Traffic Control (CTC) obsolescence proposal. Pressure is being put on them to resolve outstanding issues. An ad hoc board meeting may be required to finalise matters.

4604.11 Other matters discussed included the following:

- Independent review of Phases 2 and 3 designs for the City Centre Re-Signalling Project.
- Maintenance of Global System for Mobile Communications – Railway (GSM–R) will be externally contracted initially and internal resources will be built up overtime.
- Follow up is required to ensure that drivers are receiving route information which was supposed to have been made more accessible for them.

Mr. Meade

- The report from a study being carried out by PRIME (Platform for Rail Infrastructure Managers Europe) Safety Culture Group will be submitted to the Safety Advisory Group (SAG) in due course.
- The main cause of the delay with the project to introduce a low cost technical solution for level crossings was the negotiations with the CRR regarding the warning lights. It is anticipated that approval to implement this initiative will be received after the forthcoming meeting with the CRR on 12th April 2017.

4605 ADVISORY/POLICY PAPERS

4605.1 [Redacted]

4605.2 [Redacted]

4605.2 [Redacted]

4605.3 [Redacted]

4605.4 [Redacted]

[Redacted] e main driver behind the proposed

4605.5 [Redacted]

4605.6 [Redacted]

- (b) Layout and minor reclassification changes which may be approved by the Chief Financial Officer.

2. That two directors be authorised to sign the Financial Statements on its behalf.”

4605.16 It was noted that implicit in the approval of the Financial Statements was approval of the Directors’ Compliance Statement (relating to company law and taxation obligations) required under the Companies Act 2014 and discussed at board meetings on 28th June 2016 and 25th October 2016. It was also noted that the Code of Practice for the Governance of State Bodies would require a Statement of Internal Control in the 2017 Financial Statements and that the Directors’ Compliance Statement for 2017 would feed into this. Any other new requirements (e.g. details of legal disputes with other state bodies), for the 2017 Financial Statements will, if possible, be reflected in the CIE Chairman’s Letter to the Minister in respect of 2016.

4605.17 **Draft Chief Executive’s Report to the Chairman**

The draft Chief Executive’s Report to the Chairman required under the Code of Practice for the Governance of State Bodies previously circulated was taken as read and noted.

4605.18 It was agreed that the Chief Executive should send this letter to the Chairman subject to a number of amendments.

4605.19 **Trains Advisory Group (TAG)**

Mr. Brain O’Meara, Operations Planning Manager, Mr. Cliff Perry, Member of the TAG, and Mr. Peter Smyth, Chief Mechanical Engineer, joined the meeting at this time.

4605.20 The Report from the Chairman of the TAG, previously circulated was taken as read and noted.

4605.21 The Chairman of the TAG, Mr. McGreevy, advised that the main item discussed by the TAG at its last meeting on 20th March 2017 was the review of fleet strategy. The proposed fleet strategy recognises the significant benefits of electric traction over diesel. However, the strategic demands on IM going forward were noted.

4605.22 **Organisation Design Steering Group (ODSG)**

The Report from the Chairman of the ODSG previously circulated was taken as read and noted.

4605.23 The Chairman of the ODSG, Mr. McGreevy, advised that good progress is being made with respect to the following:

- Appointment of staff to new leadership positions.
- Consultation and communications regarding changes to front line customer services.

4605.24 **Fleet Strategy**

The Advisory Paper previously circulated was taken as read and noted.

4605.25 Mr. Smyth gave a presentation which covered the following matters:

- Strategy objectives,
- Passenger numbers from 1992 to date and projected growth to 2021.
- Commuter service loading levels.
- Short term fleet options to 2020.
- Electrification expansion.
- Electric –v- diesel trains.
- Medium term fleet requirements 2021-2030.
- Long term fleet requirements 2030-2050.
- New Trains – Timelines, indicative costs, train types.
- Short term recommendations for 2017.
- Medium term / long term recommendations.

4605.26 Matters discussed included the following:

- Short term steps must be compatible with medium term and long term objectives.
- SET resources.
- Robustness of ridership assumptions.
- The proposed strategy is not expansive when compared with the current fleet size, the fleet age and the old fleet that has been taken out.
- The Rail Review document (which refers to short term fleet requirements) needs to be progressed with the NTA.
- An indication of the scale of investment and a cost estimate for total electrification is required.

- Financial funding options need to be considered as a short term matter.

4605.27 Following further discussion the board gave its approval for the proposed fleet strategy and stated that the short term recommendations should be implemented as soon as possible. This matter should be treated as a separate project in Iarnród Éireann (the governance of which would be discussed by the Chief Executive and the Chairman). The board asked for a good briefing document to be prepared for the NTA, the DTTAS and the Department of Public Expenditure and Reform (DPER). **Mr. Kenny**

Mr. O'Meara, Mr. Smyth and Mr. Wynne left the meeting at this time.

4605.28 **Safety Advisory Group (SAG)**

The Report from the Chairman of the SAG previously circulated was taken as read and noted.

4605.29 The Chairman of the SAG, Ms. Griffiths, advised of the following matters recently considered by the SAG:

- Outcome of the independent review into the three platform incidents at Tara Street.
- Until there has been a sufficient enhancement of SET resources, there should be an independent review of modifications and new design works (including new standards and design rules).
- While qualitative work was done on whether "as low as reasonably practicable" (ALARP) criteria could be satisfied in the interim while waiting for a full TPS solution, it didn't give the answer required. Therefore, a quantitative assessment is to be carried out on the practicality of the interim solutions proposed.

4605.30 While a brief discussion has taken place on the Safety Plan for 2017 it is to be discussed again at the next meeting.

4605.31 Ms. Griffiths stated that she had retained AD Little to help her on a safety governance review.

4605.32 **Risk Management**

Mr. Ronan Glynn, Safety, Technical & Approvals Manager, joined the meeting at this time.

4605.33 The Quarterly Risk Report as at March 2017 previously circulated was taken as read and noted.

4605.34 Mr. Glynn advised of the following:

- There has been no change to the list of Principal Risks since the last report.
- Work is being done to ensure that five moderate safety risks are being properly controlled and monitored to ensure that they are achieving the ALARP standard.
- The performance against key performance indicator (KPI) targets for SPADs has been recorded as poor. However, the level of residual risk is still reducing due to the existence of other controls.

4605.35 The board discussed the risk of quickly reaching the stage whereby passengers may be left behind on platforms because of capacity problems on trains. Mr. Franks agreed to follow up on this consequential risk. **Mr. Franks**

4605.36 In response to the Chairman, Mr. Glynn advised that while asbestos and pandemic risks have not been assessed yet, they have been assigned to a Risk Owner.

Mr. Glynn left the meeting at this time.

4606 **CAPITAL PROJECTS**

4606.1 **Closeout Reports**

The three memoranda previously circulated were taken as read and noted.

4606.2 The board gave its approval for the closeout of the following IM projects:

- (a) Accessibility Programme 2015.
- (b) CTC Building Refurbishment.
- (c) Small Plant Requirements 2016.

4607 PROCUREMENT

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4607.1 Procurement Report

The Procurement Report for Period 2 2017 previously circulated was taken as read and noted.

4607.2 Contracts, Selection and Award Criteria, etc.

The seven memoranda previously circulated were taken as read and noted.

4607.3 The board gave its approval for the following:

On Board Catering Services

Award criteria as presented to facilitate the running of a tender process for the provision of on board catering services for Republic of Ireland services (lot 1) and also for the Dublin to Belfast Enterprise service (Lot 2) for an initial period of three years with an option to extend for an additional period of two years.

It was noted that it is anticipated that the total spend for a period of five years will be in the region of [REDACTED].

4607.4 Car Park Management Services

Selection and award criteria as presented to facilitate the running of a tender process for the award of a contract for nationwide car park management services for a period of up to five years.

It was noted that:

- The anticipated spend over a five year period is [REDACTED] and
- The funding source for this contract will come from the Railway Undertaking (RU) and [REDACTED]

4607.5 GSM-R Phase 3

- (a) To extend the terms of the framework agreement with Kapsch Carrier Com for the continued supply of GSM-R infrastructure for further development and maintenance of the GSM-R network and
- (b) For the future award of all individual call off contracts under this framework agreement which may exceed [REDACTED].

It was noted that:

- The total value of the awards under the extended framework agreement is estimated at [REDACTED] between 2017 and 2021.
- The funding source for this framework agreement is the MAC.

4607.6 Passenger Wi-Fi Services

Award criteria as presented to progress the tender for the design, supply, installation and maintenance of a passenger Wi-Fi system for use across all passenger rolling stock fleets.

It was noted that:

- The proposed duration of the contract is for five years with an option to extend the contract by a further two years.
- The estimated total contract value is in the order of [REDACTED], the funding source for which is the Train Operations operating budget on the basis of an average annual cost of [REDACTED].

4607.7 Rolling Stock Brake Discs

Award criteria as presented to progress the tender for the supply of rolling stock brake discs for the 22000 DMU and the 8500 EMU fleet.

It was noted that:

- The proposed duration of the contract is for four years with an option to extend the contract by a further one year.
- The funding source for this contract will be from the Chief Mechanical Engineering (CME) Heavy Maintenance budget and is estimated to have an annual contract spend of [REDACTED].

4607.8 In response to Ms. Griffiths, Mr. Meade agreed to follow up with the CME the question of who will have responsibility for testing i.e. will it be the supplier, Iarnrod Eireann or both? It was noted that this may open the door for further tendering opportunities. **Mr. Meade**

4607.9 Managed Payroll Services

Selection criteria as presented to facilitate the commencement of a tender process for the provision of a managed payroll service for a period of up to eight years.

It was noted:

- The estimated spend is in the region of ██████ over the period of the contract. This value is based on indicative costs received during the market consultation process.
- The funding source for this contract is from Iarnrod Eireann's own funds.

4607.10 Maintenance of Electrical Systems and Services

Selection and award criteria as presented to commence a tendering process for the electrical systems, maintenance and replacement services contract.

It was noted that:

- The proposed duration of this contract is four years.
- The estimated value of services to be awarded under the contract over the four year period is ████████████████████.

4607.11 Derogations during 2016

The memorandum previously circulated was taken as read and noted.

4607.12 Procurement Timetable

The Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Reynolds left the meeting at this time.

4608 **ADMINISTRATIVE ITEMS**

4608.1 Transactions for Approval, Sealing and Signing

The transactions (9) for approval and sealing at the meeting were approved and sealed.

Appendix I

The transactions (7) for approval and signing at the meeting were approved and signed.

Appendix II

4608.2 Changes to Corporate Governance Documents

The memorandum previously circulated was taken as read and noted.

4608.3 The board gave its approval for the following:

1. (a) Revised document in respect of the Roles and Duties of Board Members and Directors and
(b) The update of the Corporate Governance Manual accordingly.
2. (a) Revised Iarnrod Eireann procedures with respect to Access by Directors to Independent Professional Advice and
(b) The update of the Corporate Governance Manual accordingly.

4608.4 The board noted the following Corporate Governance documents recently revised and approved by the CIE Board:

- CIE Board Procedures regarding Attendance and Quorum.
- CIE Board Strategy Committee Terms of Reference.
- CIE Policy on Diversification.
- CIE Policy for the Establishment or Acquisition of Subsidiaries, Shares in Other Entities and Participation in Joint Ventures.
- CIE Treasury Policy.

4608.5 Property Item

The memorandum previously circulated was taken as read and the board noted the proposal to grant a licence to BHG Pipework & Engineering Services Ltd. for a surface water drain and a foul sewer pipe beneath the Dublin/Sligo Line.

4608.6 **Bank of Ireland Mandate**
The memorandum previously circulated was taken as read and noted.

4608.7 It was proposed by Mr. Allen and seconded by Mr. McGreevy and resolved that:

"The name of Mr. Michael Power be added to the list of authorised signatories for the Bank of Ireland No.1 Account (including supplementary accounts) with effect from 1st April 2017."

4609 **ITEMS FOR NOTING**

4609.1 **Chairman's Report to the Minister**
The Chairman's Report to the Minister following the board meeting on 7th February 2017 previously circulated was taken as read and noted.

4609.2 **Minutes of Advisory Group Meetings**
The Minutes of the following Advisory Group meetings previously circulated were taken as read and noted:
(a) Audit and Risk Review Group Minutes 23rd November 2016
(b) Organisation Design Steering Group Minutes 9th January 2017.
(c) Organisation Design Steering Group Minutes 6th February 2017.
(d) Safety Advisory Group Minutes 23rd November 2016.

4609.3 **Rolling Agenda for 2017**
The memorandum previously circulated was taken as read and noted.

Mr. Cronin, Mr. Culligan, Mr. Cunningham, Mr. Dunne, Mr. Meade and Mr. Perry left the meeting at this time.

4610 **PRIVATE SESSION**

4610.1 **Board Values**
The memorandum previously circulated was taken as read and noted.

4610.2 The Chairman asked for any comments on the proposed board values. Directors made suggestions regarding the following:
- Promoting rail as a sustainable form of transport.
- Use of the phrase "prudent stewardship".
- Engagement with staff, customers and other stakeholders.

4610.3 The Chairman stated that he would consider the comments received and redraft the document. **Chairman**

4611 **DATE AND LOCATION OF NEXT MEETING**
Wednesday 29th March 2017 at 2pm in Connolly Station. **I**

Chairman _____

Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

1. [Redacted]

2. [Redacted]

3. [Redacted]

4. [Redacted]

5. [Redacted]

6. [Redacted]

7. [Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

8. [Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

9.

[REDACTED]

Company Secretary
Iarnród Éireann
29th March 2017

TRANSACTIONS FOR APPROVAL AND SIGNING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Company Secretary
Iarnród Éireann
29th March 2017

STRICTLY PRIVATE AND CONFIDENTIAL

IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986

IARNRÓD ÉIREANN - IRISH RAIL

MINUTES OF THE THREE HUNDRED AND THIRTEENTH
BOARD MEETING HELD ON WEDNESDAY 26TH APRIL 2017
AT 2 PM IN CONNOLLY STATION

PRESENT:	Mr. Phil Gaffney	Chairman
	Mr. Frank Allen	Director
	Mr. Mal McGreevy	Director
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Gerry Culligan	Commercial Director
	Mr. Don Cunningham	Director Infrastructure Manager
	Ms. Kay Doyle	Head of Infrastructure Manager Safety (part)
	Mr. David Franks	Chief Executive (via telephone)
	Mr. Sean Geoghegan	Railway Undertaking Safety Manager (Interim) (part)
	Mr. David Graham	Operations Controller
	Mr. Barry Kenny	Manager Corporate Communications (part)
	Mr. Jim Meade	Director Train Operations
	Ms. Bidina McCabe	Assistant Company Secretary
	Mr. Mike Sowden	Chairman, Infrastructure Advisory Group
	Mr. Cliff Perry	Member, Safety and Trains Advisory Groups (part)
	Mr. Michael Power	Safety Advisor (part)
	Mr. Colm Reynolds	Chief Procurement Officer (part)
APOLOGIES:	Apologies were received from Mr. Aidan Cronin, Mr. Cyril Dunne, Ms. Geraldine Finucane, Ms. Carolyn Griffiths and Mr. John Moloney.	

MIN NO.

4612 DECLARATIONS OF CONFLICT OF INTERESTS

No conflicts of interests were declared.

4613 MINUTES

4613.1 The Minutes of the meeting of the meeting held on 29th March 2017 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings.

4613.2 Outstanding Action Items

The memorandum previously circulated was taken as read and noted.

4613.3 Action Item 399 – Annual Safety Report 2016

It was noted that the draft Iarnród Éireann Annual Safety Report 2016 had been distributed by email to the Directors. The Chairman requested that any comments be passed directly to Mr. Power.

4613.4 Mr. McGreevy added that the report had been discussed at the recent Safety Advisory Group (SAG) meeting and the comments made then had been incorporated into the latest draft, which reflects a positive story.

4613.5 Action Item 406 – TSR Daily Route Information

It was clarified that the temporary speed restriction (TSR) by route information has been available to all drivers within the pilot operation area. Following feedback, the system will be rolled out to all drivers.

4614 **CHAIRMAN'S COMMENTS**

4614.1 The Chairman advised that the Bus Éireann strike has been paused and a ballot is currently taking place on a Labour Court recommendation. The result of the ballot is expected to be known by 13th May 2017. If accepted, a business plan will be produced and presented to the CIE Board on 7th June 2017. There can be no Letters of Support from the Minister or from CIE until after the June CIE Board meeting. These are contingent on staff acceptance of the recommendation and CIE Board acceptance of the business plan. The Department of Transport, Tourism and Sport (DTTAS) has been advised that the submission of the 2016 Accounts will be late. Bus Éireann is seeking a continuation of support from CIE. There is no immediate cost but it does increase the risk to all companies.

4614.2 Mr. Allen commented that there would be a need for a review of post Balance Sheet events prior to the signing of the Accounts and that there may be a need to inform the Department officially regarding the late submission of accounts.

4614.3 The Chairman then advised on the position regarding the appointment of non-executive Directors. Ministerial approval has been received to interview four people with a Human Resources background for one of the vacancies. It is hoped to have a recommendation with the Minister soon after completion of these interviews, which will take place in early May.

4614.4 The Chairman confirmed that his term as Chairman of the Iarnród Éireann board and as a Member of the CIE Board will expire on 8th July 2017, and that he will not be staying on after that date. He understands that the same is true for the position of the CIE Chairman. The process to select a new Iarnród Éireann Chairman has commenced but if the position is not filled in a timely manner, there may be a need for an Acting Chairman to be appointed.

4615 **CHIEF EXECUTIVE'S REPORT**

4615.1 The Chief Executive's Report previously circulated was taken as read and noted.

4615.2 Mr. Franks presented his report and referred to the following items:

- Two drivers are off work following serious incidents - a fatality at Parkwest and a near miss at Lansdowne.
- At the suggestion of the Infrastructure Advisory Group (IAG), Iarnród Éireann are reviewing targets for self-reporting of near misses and close calls with a view to reducing the number of incidents leading to time lost.
- There were two positive Drugs and Alcohol (D&A) test results during Period 3 2017. One related to a contractor on a pre-work training course and the second to an apprentice who subsequently resigned.
- DART punctuality was below target during the period. Although some steps to improve performance have already been introduced resulting in a slight improvement, the service is still being affected by the Phoenix Park Tunnel services. A cross functional group has been set up to solve the issue and will report to the Iarnród Éireann Executive Group meeting on 17th May 2017.
- The reliability key performance indicator (KPI) for the period was affected by service cancelations on 31st March 2017. This was due to secondary picketing.
- On board staff uniform compliance in the period was shown as red in error. The 100% target was met.
- Signalling, Electrical and Telecoms (SET) recruitment has commenced and is on course.
- [REDACTED]
- Operating cost per passenger train kilometre should show as being approximately [REDACTED] for both the period and the year to date.
- The long term illness statistic was affected by recent trauma incidents.
- Phase 1 of the Customer First Programme has gone live, with some minor issues being dealt with.

- SIPTU has balloted staff to seek support for Bus Éireann workers. Iarnród Éireann contends that this was illegal and will respond accordingly.
- A pay claim is scheduled for a Labour Court hearing on 24th May 2017.
- A number of other driver issues have also been referred to the Labour Court.
- A number of SET claims for loss of historic earnings are being pursued by the trade unions.
- [REDACTED]
- [REDACTED]
- The Commissioner for Rail Regulation (CRR) has issued an enforcement action requiring medical cover when urine tests are being taken under the D&A Policy. The DTTAS has agreed to pursue a change to the legislation and will write back to us with an outline timetable.
- Meetings have taken place with the NTA and the CRR regarding some issues emerging under the 4th Railway Package, particularly in relation to the perceived independence of the Essential Functions Body and the transparency of track access charges. The CRR appears to favour the legal separation of the Infrastructure Manager (IM) from the Railway Undertaking (RU). A meeting with the DTTAS is awaited. It is proposed to bring a paper to the May/June board meeting with recommendations which will be passed to DTTAS. The Chairman undertook to contact the DTTAS in an effort to move the discussions on the 4th Railway Package forward. Chairman

4615.3 Matters discussed included the following:

- Recently reported train failures relating to Intercity railcar (ICR) issues and Enterprise failures, but there is no underlying trend.

4615.4 Finance

Mr. Graham presented the Finance Report for Period 3 2017 and referred to the following matters:

- The overall result for the period is breakeven. [REDACTED]
- [REDACTED]
- Public service obligation (PSO) revenue will suffer a [REDACTED] penalty due to cancelled services on 31st March 2017.
- Additional funding was received from Tipperary County Council for works undertaken on UBL154.
- MAC income was in line with budget.
- The cash variance was [REDACTED] better than budget due to the early receipt of PSO funding, lower working capital requirements and lower net capital expenditure.
- Shareholders' Funds were [REDACTED] as at the end of the period.
- The net Risks and Opportunities amount to a favourable [REDACTED].

4615.5 Mr. Allen commented that although passenger numbers are up, there is little headroom to deal with financial consequences from unforeseen problems. The Chairman concurred, likening the situation to that in Bus Éireann.

4615.6 Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) and advised of the following:

- Gardaí have made an arrest in connection with the burglary at Maynooth Station. Internal Audit are reviewing internal procedures and any recommendations made will go to Audit and Risk Review Group.
- If fire services are required for accidents on the line, a Divisional Officer from the Fire Service will attend at the Central Traffic Control.

4615.7 Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- The Customer First Phase 1 information system was launched successfully this week, providing new booking, pricing, e-marketing and revenue management facilities. The input from Cubic was fully supportive and intensive. In excess of 7,500 transactions were logged, resulting in [REDACTED] in revenue. This figure was helped by the May bank holiday bookings. Phase 2 is now scheduled for July, a one month delay.
- A review of accessibility on the DART has been undertaken. A number of initiatives have been suggested including the compilation of a better database of mobility impaired regular

users and distribution of an information pack to them, a shorter notice period for assistance, signage to be improved, and the development of a mobile 'app' for these users, followed by a publicity campaign.

4615.8

[REDACTED]

4615.9

[REDACTED]

4615.10 Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for IM as follows:

- A new Personal Protective Equipment (PPE) provider has been selected following feedback from user trials.
- The Technical Solutions for User Worked Level Crossings are still awaiting CRR clearance. The date set for a meeting with CRR was postponed by them and rescheduled for next week. Iarnród Éireann want to move ahead with the trial sites as soon as possible.
- Planned works include five more weekends of ballast cleaning and Limerick re-signalling.
- A new station at Woodbrook, County Dublin, was announced by Government without prior consultation with Iarnród Éireann.
- A final review of seasonal low rail adhesion (LRA) is scheduled and it will include plans for the 2017 season.

4616 ADVISORY/POLICY PAPERS

4616.1 Infrastructure Advisory Group (IAG)

The Report from the Chairman of the IAG previously circulated was taken as read and noted.

4616.2 Mr. Sowden outlined the matters considered at the recent meeting as follows:

- The IAG considered the findings from the review of signalling incidents. Three specific incidents were investigated and it was noted that SET has made good progress with issues raised in the Bruce MacDougall Report.
 - The IAG is confident that the issues are understood. An additional 25 loops with the potential for similar problems have been identified. All have temporary mitigations imposed. SET have assured that a full time solution will be developed.
 - The IAG felt that a better tie up between SET and CME is required. There has been a creeping change in technologies and it was suggested that a System Authority overseeing both on-board and wayside be considered.
 - All the actions from the recommendations in the Bruce MacDougall Report and those identified subsequently are to be recorded in one register.
- SET recruitment has started. Projects which were delayed are now being reforecast.
- The IAG is recommending that the IM should challenge Close Call reporting targets. This will help management to eliminate bad practice.
- The IAG will monitor the level of wrongside failures attributed to low rail adhesion.
- Leading indicators show that electrification assets pose no immediate increased risk but remedial activity is not as good as hoped. This will be monitored.
- Updates on coastal erosion and scour will be reported to the September IAG meeting.
- The IAG's Terms of Reference will be reviewed at its next meeting.

4616.3 The following items were discussed:

- The final solution to the signaling issue will not affect headroom because, where possible, loops will be removed and insulated block joints installed.
- The speed restrictions imposed as interim measures will not be permanent.
- Authority, or transparency between the relevant areas, will become more important with the introduction of the new train protection system (TPS).
- Detection equipment on trains have become more sensitive.

- The IM has established validation panels where systems are seen as cross functional. Processes have been improving.
- Close calls reform should feed in through leadership programme.
- The scope of the electrification maintenance contract is being revised to include more renewal work.

4616.4 Safety Advisory Group (SAG)

The Report from the Chairman of the SAG previously circulated was taken as read and noted.

4616.5 Mr. McGreevy advised of the following matters considered at the recent SAG meeting:

- A presentation was made on the Possession Management System. It has a suite of fixed possession points, all standardised and integrated. It is an internally home grown solution.
- Following the platform train interface review, focus is now on root cause analysis. Solutions to mitigate risk will be recommended.
- Final comments on the draft Safety Report 2016 will be taken on board. Drafts will be issued to all stakeholders.
- The key focus of the Health & Safety Plan 2017 will be to deliver on action plans. Recommendations on the format of the plan will be taken into account for the 2018 Plan, which the SAG will look at in a timely manner.
- The proposed approach to undertaking a Safety Culture Review was discussed.
- Risk assessment of single line working will be considered at a future SAG meeting.
- The SAG will monitor progress with the revised Safety Management System (SMS) and preparation for the application for recertification. This will include recognition of and closure of those items that the CRR contends are still open.
- A detailed analysis of signals passed at danger (SPADs) is complete. The RU will respond to the human factors study report. This might also be applicable for the platform train interface study.
- The SAG will have an oversight on bridge scour from a safety as opposed to an engineering viewpoint.
- A resource has been identified for the safety governance review.

4616.6 The Chairman commented that the draft Safety Report 2016 needs to include more on the relationship with the CRR and with what was agreed with the Minister. **Mr. Power**

4616.7 A paper was requested for the May board meeting on the structure, governance details and timescales for the process leading to recertification **Mr. Power**

4616.8 The Chairman also commented that it would be useful to present findings from the human factors study on SPADs to the CRR. **Mr. Power**

4616.9 Health & Safety Plan 2017 – Quarter 1 Update

Ms. Doyle, Mr. Geoghegan and Mr. Power joined the meeting at this time.

4616.10 The memorandum previously circulated was taken as read and noted.

4616.11 Mr. Power outlined some of the companywide actions being undertaken as follows:

- The Health & Safety Plan has been updated to include comments received from the board and the SAG.
- Summary of actions overview and details.
- Inaugural Health & Safety awards were held. In future the award categories will be increased to include contractors and safety suggestions. The IM has introduced its own safety shields awards. These will be replicated in the RU.
- A new safety suggestion scheme was advertised and 114 submissions have been received and reviewed.
- A health and wellbeing initiative was introduced in conjunction with Laya Healthcare.
- It is planned to carry out an audit on the compliance of the safety system with legislation. External support is being sought help redevelop the SMS and with the recertification process. This will include early talks with CRR.
- It is planned to go to the market for an independent assessment of safety culture in the coming weeks.

4616.12 Train Operations (TO)

Mr. Geoghegan summarised progress against the TO Safety Plan and referred to the following:

- The company achieved a 151 day SPAD free period, which has just been interrupted by one SPAD. There has been no start against signal SPAD since September 2016.
- Work is progressing on action plans following recommendations from the human factors study on the use of Driver Reminder Appliances.
- Customer accidents are being reviewed as part of the platform train interface study and five work packages have been identified. A tool to identify slip, trip and fall hazards, using Health and Safety Authority Guidelines, is being used. Contributory factors such as age are being considered.
- Installation of equipment for the remote monitoring of fleets is progressing.
- Designs for sanding equipment on 201 class locomotives is at an advanced stage.

4616.13 Infrastructure Manager (IM)

Ms. Doyle summarised progress in the IM area and referred to the following:

- Further talks have been held with the CRR regarding the Technical Solution for Level Crossings. An additional three crossings on the DART are to get vehicle recognition CCTV cameras.
- The new Possession Management system is being rolled out.
- Track monitoring is being used to generate plans for rail milling.
- Recommendations from the external review of signalling incidents are being implemented.
- Plans for additional SET resources are in place.
- A frequently hit bridge has been raised at Carrick-on-Suir, County Tipperary.
- Work packages for initiatives to deal with platform-train interface problems have been identified with leaders selected for each work package.

4616.14 It was agreed that the next report should highlight any actions at risk on the safety plan. **Mr. Power**

Ms. Doyle, Mr. Geoghegan and Mr. Power left the meeting at this time.

4616.15 Stakeholder Engagement

Mr. Kenny and Mr. Reynolds joined the meeting at this time.

4616.16 The memorandum previously circulated was taken as read and noted.

4616.17 Mr. Kenny outlined the key features of the Iarnród Éireann Stakeholder Plan as follows:

- Stakeholder engagement is part of the Iarnród Éireann business plan.
- Stakeholders are classified according to interest and influence.
- Survey findings indicate an increased awareness of DART Expansion and a reduced interest in the Western Rail Corridor.
- Current activities to promote awareness include Stakeholder newsletters, media engagement, participation in public consultations and liaison with key influencers.
- Direct liaison with elected representatives continues.
- The key messages for 2017 are:
 - Funding needs,
 - Maintaining and enhancing safety,
 - Increasing capacity in urban areas,
 - Environmental issues,
 - 10 minute DART frequency ,
 - The introduction of Phoenix Park Tunnel services.
- The NTA is happy with our aspiration for a rail link to Dublin Airport but don't want us to challenge current plans.
- Fingal Council is carrying out a transport study.
- Accessibility improvements on DART are being trialed.
- Directors are encouraged to promote key messages with their own contacts and to recommend them to advocate groups.
- Directors were reminded of their obligation to register any lobbying activity.

4616.18 The following matters were discussed:

- It has been some time since the benefits of rail transport have been quantified.
- It would be useful to say what benefit would be derived from additional funding e.g. capacity generated by DART expansion is the same as in all cars on the M50 at present.

Mr. Kenny left the meeting at this time.

4617 CAPITAL EXPENDITURE PROPOSALS

The two memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4617.1 Limerick to Foynes Railway - Detailed Design Stage

The provision of design and project management services to Shannon Foynes Port Company (SFPC) for the detailed design stage of the project to re-open the Limerick to Foynes Railway to freight (only) services.

It was noted that SFPC have agreed in principle to fund Iarnród Éireann to a value not exceeding [REDACTED] and that the project will not proceed until funding is in place.

4617.2 The potential for other businesses at Foynes was discussed but it was pointed out that the port needs an anchor tenant first.

4617.3 UBR139 Dargle River Bridge Works

A budget increase from [REDACTED], excluding VAT, to provide scour protection to the railway bridge and the adjacent road bridge at Bray Harbour.

It was noted that:

- (a) The increase arises from scope changes agreed with Wicklow County Council since the initial Iarnród Éireann board approval in March 2016, and
- (b) In accordance with the Bridge Agreement between CIE/Iarnród Éireann and Wicklow County Council, all costs are being recouped from Wicklow County Council.

4618 PROCUREMENT

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4618.1 Procurement Report

The Procurement Report for Period 3 2017 previously circulated was taken as read and noted.

4618.2 Mr. Reynolds outlined activity in the procurement area, referring to:

- A 5% increase in costs occurred on one recurring contract.
- Labour hire rates are increasing. This is an indication of upcoming cost pressure in this area.
- Two recurring contracts are in delay. These will be closed out over the next few weeks.

4618.3 Contracts, Selection and Award Criteria, etc.

The three memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4618.4 CTC Signalling Control Systems Upgrade

The award of a contract, without a call for competition, to Alstom Transport UK Ltd for the upgrade of their proprietary signalling control systems and equipment purchased under contract in the period between 1999 and 2008, at a cost of [REDACTED].

It was noted that:

- (a) The basis of proceeding without a call for competition is in line with EU Procurement Directives given that the upgrade services can only be supplied by Alstom Transport UK Ltd. as per "the protection of exclusive rights, including intellectual property rights" under Article 50 (c) (iii) of Directive 2014/25/EU, and
- (b) The funding source for this contract is from the MAC.

4618.5 Provision of Fuel Purchase Card Services

The award of a contract to Company A, for the supply of a fuel purchase card service at an estimated [REDACTED] exclusive of VAT based on a maximum duration of three years.

It was noted that:

- (a) The non recoverable VAT arising is estimated at [REDACTED] giving a total contract award figure of [REDACTED]
- (b) The contract award value, and any associated non recoverable VAT, will be funded from annual budgets.

4618.6 Following the decision, Mr. Reynolds advised that the winning contractor was the incumbent, Topaz.

4618.7 Navigator Freight –Procurement Strategy and Selection and Award Criteria

Selection and award criteria, as presented, to facilitate the running of tender processes leading to the award of the following contracts to support the Navigator Freight business:

- (a) The UK collection contract, at an estimated value of [REDACTED] over a five year period;
- (b) The Irish distribution contract, at an estimated value of [REDACTED] over a five year period.

It was noted that the funding source for these contracts is the Navigator Freight operating budget.

4618.8 Mr. Reynolds clarified that these are longer term contracts than the current ones, although the values are the same. Termination clauses will be included in the contracts.

4618.9 Procurement Timetable

The Procurement Timetable for 2017 previously circulated was taken as read and noted.

4618.10 Mr. Reynolds drew attention to the decision made to extend the existing overhead line equipment (OHLE) contract and to bundle more work into the tender.

Mr. Reynolds left the meeting at this time.

4619 **ADMINISTRATIVE ITEMS**

4619.1 Transactions for Approval, Sealing and Signing

The transactions (6) for approval and sealing at the meeting were approved and sealed.

Appendix I

The transactions (2) for approval and signing at the meeting were approved and signed.

Appendix II

4619.2 Changes to Corporate Governance Documents

The memorandum previously circulated was taken as read and noted.

4619.3 The board noted the following Corporate Governance documents recently revised and approved by the CIE Board:

- CIE Group Code of Conduct for Directors
- CIE Group Code of Conduct for Employees

4620 **ITEMS FOR NOTING**

4620.1 Chairman's Report to the Minister

The Chairman's Report to the Minister following the board meeting on 29th March 2017 previously circulated was taken as read and noted.

4620.2 Minutes of Advisory Group Meetings

The Minutes of the following Advisory Group meetings previously circulated were taken as read and noted:

- (a) Infrastructure Advisory Minutes 26th January 2017.
- (b) Safety Advisory Group Minutes 14th February 2017.

4620.3 Rolling Agenda for 2017

The memorandum previously circulated was taken as read and noted.

4621 ANY OTHER BUSINESS

4621.1 New Payroll System

In response to Mr. Wynne, the Chief Executive stated that no decision had been made to date regarding the possible outsourcing of the running of the new payroll system. The current tender process will return indicative costs and then a recommendation will be made on whether the work will be handled in-house or outsourced.

4621.2 It was agreed following the tender process, the proposal for a payroll system should give a justification for the decision to either outsource or to maintain the payroll process in-house. It should also refer to what the bus companies did and their reasoning for selecting the systems they use. **Mr. John Kennedy**

4622 DATE AND LOCATION OF NEXT MEETING

Wednesday 30th May 2017 at 9.30am in Heuston Station.

Chairman _____

Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

1. [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
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[REDACTED]

[REDACTED]
Iarnród Éireann
26th April, 2017.

TRANSACTIONS FOR APPROVAL AND SIGNING

- [REDACTED]
- [REDACTED]

Company Secretary

Iarnród Éireann

26th April 2017

STRICTLY PRIVATE AND CONFIDENTIAL

IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986

IARNRÓD ÉIREANN - IRISH RAIL

MINUTES OF THE THREE HUNDRED AND FOURTEENTH
BOARD MEETING HELD ON TUESDAY 30TH MAY 2017
AT 9.30AM IN HEUSTON STATION.

PRESENT:	Mr. Phil Gaffney	Chairman
	Mr. Frank Allen	Director
	Mr. Carolyn Griffiths	Director
	Mr. Mal McGreevy	Director
	Mr. John Moloney	Director
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Gerry Culligan	Commercial Director
	Mr. Don Cunningham	Director Infrastructure Manager
	Mr. Aidan Cronin	Chief Financial Officer
	Mr. Cyril Dunne	Chief Operating Officer, CIE
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Jim Meade	Director Train Operations
	Mr. Cliff Perry	Member Safety and Trains Advisory Groups (part)
	Mr. Michael Power	Safety Advisor (part)
	Mr. Colm Reynolds	Chief Procurement Officer (part)

MIN NO.

4623 CONFLICTS OF INTERESTS

4623.1 No conflicts of interests were declared.

4624 MINUTES

4624.1 The Minutes of the meeting of the meeting held on 26th April 2017 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings.

4624.2 Outstanding Action Items

The memorandum previously circulated was taken as read and noted.

4624.3 Item 423

The Chairman stated that he had spoken with Ms. Deirdre Hanlon, Assistant Secretary, Department of Transport, Tourism and Sport (DTTAS) seeking at date for a meeting to discuss the 4th Railway Package. No date has been set yet. She didn't know the status of any proposed legislation or if there was any.

4625 CHAIRMAN'S COMMENTS

4625.1 The Chairman advised that the Bus Eireann trade unions had accepted the recent Labour Court proposals. These will require time and funding (for voluntary severance) to implement. Bus Eireann approved its Financial Statements on 29th May 2017 subject to a Letter of Support from CIE. The funding requirement has been made known to CIE. CIE has employed legal and financial advisors who will report to the CIE Board to enable it to decide on the way forward.

Mr. Dunne advised that CIE has engaged with the DTTAS on Bus Eireann's proposed plan. CIE's advisors are liaising with New Era who are the advisors to the DTTAS. So far there has been no indication of any concerns. If all goes well it is hoped that a Letter of Support will be received by CIE from the Minister in time for its next Board meeting on 7th June 2017. The Chairman stated that substantive discussions will take place at that CIE Board meeting. If all goes well, a Letter of Support from CIE will be issued to Iarnrod Eireann, thus enabling the Financial Statements for 2016 to be signed before the expiry of the terms of office of the Chairmen of CIE, Iarnrod Eireann and Bus Eireann.

In response to Mr. Allen, Mr. Cronin stated that the auditors will be asking him to confirm that there are no material changes between the date of their last examination of the accounts and the date of signing. The Chairman stated that as there will be a call by Bus Eireann on Group funds (probably in the form of a draw down on intercompany balances). Iarnrod Eireann needs to make sure that this will have no adverse impact on any funding that it may seek.

4625.2 The Chairman advised that the positions for the chairmanship of CIE and Iarnrod Eireann had been advertised with a closing date of 2nd June 2017. However, given recent experience, the likelihood of a new appointment to Iarnrod Eireann by 8th July 2017 (the expiry date of his term of office) is unlikely.

4625.3 The Chairman advised that final interviews for one non-executive vacancy on the board took place during the week following which a recommendation has been made to the Minister. Recommendations for interview have been received in respect of the second non-executive vacancy. However, there has been no movement or advertisement in respect of the third non-executive vacancy. The board also noted the possibility of a new Taoiseach, and/or a new Minister. Therefore, matters are unlikely to be finalised in the short term.

4625.4 The Chairman stated that given the three current vacancies and his forthcoming retirement, he had decided that it would be inappropriate to finalise the establishment of "Board Values", the work on which had commenced in January 2017. He felt that this issue needs to be considered by the new Chairman. However, he thanked directors for their input to date.

4626 CHIEF EXECUTIVE'S REPORT

4626.1 The Chief Executive's Report previously circulated was taken as read and noted.

4626.2 Mr. Franks presented his report and referred to the following items:

- Tragic accident on 1st April 2017 [REDACTED].
- A more aggressive approach is to be taken to encourage close call reporting across the organisation.
- Two more contractor employees tested positive for drug use and are no longer working with Iarnrod Eireann.
- An audit of contractor Drugs and Alcohol arrangements is being undertaken.
- There were six level crossing incidents in Period 4 2017, four of which occurred at Sutton. Available evidence from these incidents has been provided to the Gardai.
- Reliability statistics deteriorated during the period. This is due to the 208 cancellations which occurred as a result of secondary picketing during the Bus Eireann industrial dispute.
- The new appointments following the organisation redesign were noted. In particular a discussion took place around the appointments to safety roles of staff from outside the Safety Department. Good liaison has taken place with the Commissioner for Railway Regulation (CRR). The major task will be to get safety recertification.
- A Labour Court hearing into a pay claim took place on 24th May 2017. Information has been sought by the Court on the potential impact on the financial position of the company and on multi annual contract (MAC) and public service obligation (PSO) work and funding. Mr. Wynne explained why he considered it unrealistic for there not to be a pay award given recent revenue improvements. However, it was noted that directors should also take into account the level of Shareholders' Funds and the necessity to repair the Balance Sheet. Also discussed was the DTTAS and Government approach to public services. The Chairman encouraged both sides to be as innovative as possible to resolve the pay claim issue.

4626.3

Finance

Mr. Cronin presented the Finance Report for Period 4 2017 and referred to the following matters:

- The financial results are now being reported against forecast.
- The company generated a surplus of ██████████ during Period 4 2017 compared to a forecast surplus of ██████████. The company incurred a year to date loss of ██████████
- The original budget for 2017 was a break even position. However, despite passenger receipts now being forecast to be ██████████ better than the original budget, the company as a whole is forecasting to incur a deficit of ██████████ for the year. The main reason for the reduction in the forecast outcome for 2017 is: reduced revenue for third party work, reduced funding and additional spending commitments utilising the extra funds received in December of 2016.
- Cash generated at the end of Period 4 2017 was ██████████ ahead of forecast due mainly to an improvement in working capital requirements.
- Shareholders' Funds have reduced to ██████████ at the end of Period 4 2017. Net assets have fallen to 21% of called up share capital.
- The field work for the National Transport Authority (NTA) PSO and capital audits has commenced.

4626.4

Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- A route by route timetable review is taking place with particular focus on opportunities to increase off peak services.
- As passenger numbers continue to rise, it is critical that overcrowding on a number of services is addressed. Work to return the 14x 2 coach 2700 Class DMUs to service is to be tendered.
- The mentoring of drivers and past productivity issues have been referred to the Labour Court.
- GSMR radios will be brought into service on 12th June 2017 even though drivers have refused to use the radios pending the outcome of the current pay claim.
- Follow up actions are being taken since a wrong side door failure on 6th April 2017. The investigation into this incident will examine why post modification checks did not pick up incorrect wiring. Modification techniques are to be examined in this context.

4626.5

Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- Phase 1 of the Customer First Programme (CFP) went live on 24th April 2017. The system has settled down and is now performing well. Work is now focused on the design activities for the replacement of booking office machines and portable sales devices. The project plan for CFP Phase 2 is being updated to reflect the impact of the delay with Phase 1.
- The Commercial Department won a number of marketing and social media awards recently. The board expressed its congratulations.
- The board noted that Mr. John Lynch had taken up responsibility in another part of the organisation. The board expressed its thanks for the work he carried out during his time as General Manager, Rosslare Europort.

4626.6

Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- Significant improvements are expected once the Limerick Resignalling Project has been completed.
- It now appears that the CRR has asked Iarnrod Eireann to consider upgrading existing train braking systems. This development has the potential to add considerable cost and delay to the Automatic Train Protection System (ATPS) Project. It was agreed that a letter seeking clarity should be written to the CRR before the trains are fitted with TPS. **Mr. Cunningham**
- At a recent meeting, the CRR again raised the issue of whether Ireland would be using a Class B system rather than the Class A European Railway Traffic Management System (ERTMS), even though previously his consultant had confirmed that Iarnrod Eireann's proposals were for a Class A system. The CRR has agreed to seek clarification from the European Rail Agency (ERA).
- A total interdisciplinary review of performance during the 2016 low rail adhesion (LRA) season took place on 27th April 2017. Plans are being prepared for the 2017 season.

- The proposed work programme including amendments for the 2017 IM MAC have been submitted to the DTTAS. However, the contract has not been signed as it has not been formally approved by the DTTAS yet.
- Additional detail on technological solutions at user worked level crossings have been submitted to the CRR as requested. However, as the next meeting is not scheduled to take place until 20th July 2017, interim access to the CRR's consultant on the matter will be required.

4627 ADVISORY/POLICY PAPERS

4627.1 Trains Advisory Group (TAG)

Mr. Cliff Perry, Member of the Trains and Safety Advisory Groups joined the meeting at this time.

4627.2 The Report from the Chairman of the TAG previously circulated was taken as read and noted.

4627.3 The Chairman of the TAG, Mr. McGreevy, advised of the following matters considered at the recent TAG meeting:

- Implementation of CFP Phase 1.
- Review of train performance (including the impact of the recent secondary picketing during the Bus Eireann industrial action).
- Refurbishment proposals for Class 2700 DMUs. (This is critical as it is the first step in the long term fleet strategy).
- Recommended increase in the intake numbers for apprenticeships. Budgetary constraints were noted by the board. It was suggested that Iarnród Eireann should broaden the conversation and seek more Government funding (not just limited to DTTAS funding). **Mr. Franks**
- Scanrail AG is carrying out a formal assessment to enable Iarnród Eireann to renew ECM (Entity in Charge of Maintenance) accreditation.
- A strategy review of the Enterprise service is underway with Northern Ireland Railways.

4627.4 Organisation Design Steering Group (ODSG)

The Report from the Chairman of the ODSG previously circulated was taken as read and noted.

4627.5 The Chairman of the ODSG, Mr. McGreevy, advised of the following matters considered at the recent ODSG meeting:

- Appointments to a number of leadership positions.
- Preparatory works for the implementation of changes to front line customer services.
- Briefings with the CRR and the NTA on the emerging findings of the AD Little review of the 4th Railway Package implications. However, the DTTAS is not showing a similar level of engagement.
- Proposal to revise the ODSG's Terms of Reference.
- The key next step is to engage with staff on how the planned changes to the front line customer services will be implemented while progressing safety approvals.

4627.6 Draft Forecast 2017 and Five Year Plan 2018-2022

The draft Forecast for 2017 and Five Year Plan covering the period 2018 to 2022 previously circulated was taken as read and noted.

4627.7 Mr. Cronin presented the Forecast and Five Year Plan. This was discussed in detail by the board. It was suggested that further information on the following should also be provided in the plan:

- An attempt should be made to estimate the impact of Brexit.
- The risk of failure to secure the 2016 Rail Review funding levels on which the draft forecast and Five Year Plan is based.
- Further clarification on the extent of the network.
- Further clarification on heavy maintenance expenditure.
- Whether a 10% p.a. volume growth can be accommodated before the issue of capacity is addressed.
- Whether the assumption of no pay increases is realistic.
- Details of the impact of a 1% change in payroll costs.

- The transfer of RU surplus funds to IM should be analysed further to show depreciation separately.
- Level of engagement with the DTTAS on the PSO surplus transfer to the IM (via the MAC rather than coming in through the NTA).
- Clarification on the length of time it will take to complete the asset recovery plan.
- Impact on punctuality and revenue of the absence of extra investment for the asset recovery plan.
- Further clarification in respect of the Class 2700 DMU Refurbishment Project –v- cost of power packs.
- Impact of climate change.
- Sensitivity analysis to support the Profit and Loss Account.
- Sensitivity analysis to recognise capacity constraints.

4627.8 It was agreed that Mr. Cronin would update the Five Year Plan to take into account the above mentioned feedback from the board. **Mr. Cronin**

4627.9 **Application for Renewal of Safety Authorisation and Certification**

Mr. Michael Power, Safety Advisor, joined the meeting at this time.

4627.10 The memorandum previously circulated was taken as read and noted.

4627.11 Mr. Power gave an overview of the project plan of work that has to be carried out to support the application for the renewal of safety authorisation for the IM and safety certification for the RU for which current versions expire in March 2018. It was noted that a review of standards to ensure compliance with regulations had already been carried out. The next step includes an independent audit of the IM and RU Safety Management Systems (SMSs), their development as an “enabling” suite of documents that fully reflect best practice and take into account potential future regulatory changes.

4627.12 It was noted that overview discussions of the proposed application have already taken place with the CRR and it is expected that final submissions will be made in the autumn. The importance of seeking clarity from the CRR of his expectations was emphasised, particularly with respect to the revised SMS. Also, it was important that the CRR “open” items be progressed to completion although it was recognised that this would be difficult for some of these items. It was noted that an independent resource to assist Iarnrod Eireann would be appointed from mid-June 2017.

4627.13 The board noted that Mr. Power had been recently appointed as Head of Transformation (for the Organisation Redesign Project) and thanked him for the excellent work that he carried out in his safety role.

Mr. Power left the meeting at this time.

4628 **CAPITAL EXPENDITURE PROPOSAL**

4628.1 **Class 2700 DMU Refurbishment Project**

The memorandum previously circulated was taken as read and noted.

4628.2 The board gave its approval for planned capital expenditure of up to ██████████ (including non-recoverable VAT) to undertake a tender for the refurbishment and reintroduction to service of the Class 2700 DMU fleet to provide additional passenger capacity in accordance with the recently accepted short term capacity strategy.

It was noted that:

- Funding for this project will be requested from the NTA.
- No liability will be incurred if Iarnrod Eireann goes to tender and the NTA subsequently does not provide the funding.
- A separate submission will be presented to the board in respect of which of the alternative replacement transmissions becomes the final choice.
- A VAT refund is not due to Iarnrod Eireann. It is due to CIE.

4628.3 It was agreed that a revised paper should be submitted to the CIE Board for approval which would provide greater detail on the capacity issue.

4629 PROCUREMENT

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4629.1 Procurement Report

The Procurement Report for Period 4 2017 previously circulated was taken as read and noted.

4629.2 Contract (Framework Agreement)

The memorandum previously circulated was taken as read and noted.

4629.3 Ballast Framework Agreement

The board gave its approval for the establishment of a framework agreement with the following companies for the production and delivery of washed ballast:

- FP McCann Ltd.
- Roadstone Ltd.
- BD Flood Ltd.
- Hill Street Quarries Ltd.
- Arkil Ltd.
- Tullyraine Quarries Ltd.
- Peter Fitzpatrick Ltd.

It was noted that:

- The framework agreement will operate for a period of three years with an option to extend for a further one year.
- The estimated value of the awards to be made under the framework agreement over the four years period is [REDACTED].
- The funding source for this framework agreement will be the MAC.

4629.4 Award Criteria

The memorandum previously circulated was taken as read and noted.

4629.5 The board gave its approval for the award criteria as presented to facilitate the progression of the tender process for the provision of a managed payroll service for a period of up to eight years.

It was noted that:

- The total estimated contract value of the initial five years is [REDACTED].
- The funding source for this contract will be from the operational budget of Iarnród Éireann.

4629.6 It was agreed that Mr. Reynolds would provide more details in respect of the weighting given to system resilience. **Mr. Reynolds**

4629.7 In response to Mr. Wynne, it was confirmed that the cost of carrying out the work in house will be compared with the cost of the outsourced option and a final recommendation will be brought back to the board.

4629.8 It was agreed that the paper for the submission to the CIE Board would be amended to include the requirement for a costed option in respect of weekly payrolls. **Mr. Reynolds**

4629.9 Procurement Timetable

The Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Moloney and Mr. Reynolds left the meeting at this time.

4630 ADMINISTRATIVE ITEMS

4630.1 Transaction for Approval, Sealing and Signing

The transactions (4) for approval and sealing at the meeting were approved and sealed.

Appendix I

The transactions (2) for approval and signing at the meeting were approved and signed.

Appendix II

4630.2 **Bad/Doubtful Debt Write Off Procedure**
The memorandum previously circulated was taken as read and noted.

4630.3 [Redacted]

4630.4 [Redacted] **Mr. Cronin**

4630.5 **Corporate Governance Documents**
The memorandum previously circulated was taken as read and noted.

- 4630.6** The following was agreed:
- (a) The proposed Terms of Reference for the Board (including the Division of Responsibilities between the Chairman and the Chief Executive) should be amended to reflect the role of the Chairman in the areas of safety and risk management. **Chairman**
 - (b) The Schedule of Matters Reserved for Iarnrod Eireann Board Decision was approved subject to an amendment to reflect the aforementioned threshold level in respect of bad or doubtful debts.
 - (c) The proposed revised Terms of Reference for the ODSG were approved.

4630.7 **Rolling Agenda**
The memorandum previously circulated was taken as read and noted.

4630.8 The Chairman stated that he would like the NTA to be invited to the next meeting. **Mr. Franks**

4631 **ANY OTHER BUSINESS**
Mr. Perry advised that his work with Iarnrod Eireann is due to end shortly. He thanked everyone for making his time as a director of the company and subsequently as a consultant to the company a very enjoyable one. The board thanked him for his valuable contribution over the years.

4632 **DATE AND LOCATION OF NEXT MEETING**
Wednesday 28th June 2017 at 9.30am in Heuston Station.

Chairman _____

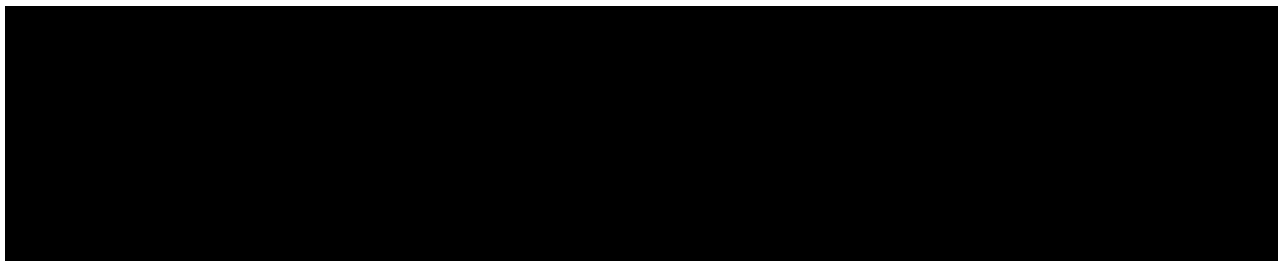
Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Company Secretary
Iarnród Éireann
30th May 2017

TRANSACTIONS FOR APPROVAL AND SIGNING



Company Secretary
Iarnród Éireann
30th May 2017

STRICTLY PRIVATE AND CONFIDENTIAL

IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986

IARNRÓD ÉIREANN - IRISH RAIL

MINUTES OF THE THREE HUNDRED AND FOURTEENTH
BOARD MEETING HELD ON TUESDAY 30TH MAY 2017
AT 9.30AM IN HEUSTON STATION.

PRESENT:	Mr. Phil Gaffney	Chairman
	Mr. Frank Allen	Director
	Mr. Carolyn Griffiths	Director
	Mr. Mal McGreevy	Director
	Mr. John Moloney	Director
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Gerry Culligan	Commercial Director
	Mr. Don Cunningham	Director Infrastructure Manager
	Mr. Aidan Cronin	Chief Financial Officer
	Mr. Cyril Dunne	Chief Operating Officer, CIE
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Jim Meade	Director Train Operations
	Mr. Cliff Perry	Member Safety and Trains Advisory Groups (part)
	Mr. Michael Power	Safety Advisor (part)
	Mr. Colm Reynolds	Chief Procurement Officer (part)

MIN NO.

4623 CONFLICTS OF INTERESTS

4623.1 No conflicts of interests were declared.

4624 MINUTES

4624.1 The Minutes of the meeting of the meeting held on 26th April 2017 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings.

4624.2 Outstanding Action Items

The memorandum previously circulated was taken as read and noted.

4624.3 Item 423

The Chairman stated that he had spoken with Ms. Deirdre Hanlon, Assistant Secretary, Department of Transport, Tourism and Sport (DTTAS) seeking at date for a meeting to discuss the 4th Railway Package. No date has been set yet. She didn't know the status of any proposed legislation or if there was any.

4625 CHAIRMAN'S COMMENTS

4625.1 The Chairman advised that the Bus Eireann trade unions had accepted the recent Labour Court proposals. These will require time and funding (for voluntary severance) to implement. Bus Eireann approved its Financial Statements on 29th May 2017 subject to a Letter of Support from CIE. The funding requirement has been made known to CIE. CIE has employed legal and financial advisors who will report to the CIE Board to enable it to decide on the way forward.

Mr. Dunne advised that CIE has engaged with the DTTAS on Bus Eireann's proposed plan. CIE's advisors are liaising with New Era who are the advisors to the DTTAS. So far there has been no indication of any concerns. If all goes well it is hoped that a Letter of Support will be received by CIE from the Minister in time for its next Board meeting on 7th June 2017. The Chairman stated that substantive discussions will take place at that CIE Board meeting. If all goes well, a Letter of Support from CIE will be issued to Iarnrod Eireann, thus enabling the Financial Statements for 2016 to be signed before the expiry of the terms of office of the Chairmen of CIE, Iarnrod Eireann and Bus Eireann.

In response to Mr. Allen, Mr. Cronin stated that the auditors will be asking him to confirm that there are no material changes between the date of their last examination of the accounts and the date of signing. The Chairman stated that as there will be a call by Bus Eireann on Group funds (probably in the form of a draw down on intercompany balances). Iarnrod Eireann needs to make sure that this will have no adverse impact on any funding that it may seek.

4625.2 The Chairman advised that the positions for the chairmanship of CIE and Iarnrod Eireann had been advertised with a closing date of 2nd June 2017. However, given recent experience, the likelihood of a new appointment to Iarnrod Eireann by 8th July 2017 (the expiry date of his term of office) is unlikely.

4625.3 The Chairman advised that final interviews for one non-executive vacancy on the board took place during the week following which a recommendation has been made to the Minister. Recommendations for interview have been received in respect of the second non-executive vacancy. However, there has been no movement or advertisement in respect of the third non-executive vacancy. The board also noted the possibility of a new Taoiseach, and/or a new Minister. Therefore, matters are unlikely to be finalised in the short term.

4625.4 The Chairman stated that given the three current vacancies and his forthcoming retirement, he had decided that it would be inappropriate to finalise the establishment of "Board Values", the work on which had commenced in January 2017. He felt that this issue needs to be considered by the new Chairman. However, he thanked directors for their input to date.

4626 CHIEF EXECUTIVE'S REPORT

4626.1 The Chief Executive's Report previously circulated was taken as read and noted.

4626.2 Mr. Franks presented his report and referred to the following items:

- Tragic accident on 1st April 2017 [REDACTED].
- A more aggressive approach is to be taken to encourage close call reporting across the organisation.
- Two more contractor employees tested positive for drug use and are no longer working with Iarnrod Eireann.
- An audit of contractor Drugs and Alcohol arrangements is being undertaken.
- There were six level crossing incidents in Period 4 2017, four of which occurred at Sutton. Available evidence from these incidents has been provided to the Gardai.
- Reliability statistics deteriorated during the period. This is due to the 208 cancellations which occurred as a result of secondary picketing during the Bus Eireann industrial dispute.
- The new appointments following the organisation redesign were noted. In particular a discussion took place around the appointments to safety roles of staff from outside the Safety Department. Good liaison has taken place with the Commissioner for Railway Regulation (CRR). The major task will be to get safety recertification.
- A Labour Court hearing into a pay claim took place on 24th May 2017. Information has been sought by the Court on the potential impact on the financial position of the company and on multi annual contract (MAC) and public service obligation (PSO) work and funding. Mr. Wynne explained why he considered it unrealistic for there not to be a pay award given recent revenue improvements. However, it was noted that directors should also take into account the level of Shareholders' Funds and the necessity to repair the Balance Sheet. Also discussed was the DTTAS and Government approach to public services. The Chairman encouraged both sides to be as innovative as possible to resolve the pay claim issue.

4626.3

Finance

Mr. Cronin presented the Finance Report for Period 4 2017 and referred to the following matters:

- The financial results are now being reported against forecast.
- The company generated a surplus of ██████████ during Period 4 2017 compared to a forecast surplus of ██████████. The company incurred a year to date loss of ██████████
- The original budget for 2017 was a break even position. However, despite passenger receipts now being forecast to be ██████████ better than the original budget, the company as a whole is forecasting to incur a deficit of ██████████ for the year. The main reason for the reduction in the forecast outcome for 2017 is: reduced revenue for third party work, reduced funding and additional spending commitments utilising the extra funds received in December of 2016.
- Cash generated at the end of Period 4 2017 was ██████████ ahead of forecast due mainly to an improvement in working capital requirements.
- Shareholders' Funds have reduced to ██████████ at the end of Period 4 2017. Net assets have fallen to 21% of called up share capital.
- The field work for the National Transport Authority (NTA) PSO and capital audits has commenced.

4626.4

Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- A route by route timetable review is taking place with particular focus on opportunities to increase off peak services.
- As passenger numbers continue to rise, it is critical that overcrowding on a number of services is addressed. Work to return the 14x 2 coach 2700 Class DMUs to service is to be tendered.
- The mentoring of drivers and past productivity issues have been referred to the Labour Court.
- GSMR radios will be brought into service on 12th June 2017 even though drivers have refused to use the radios pending the outcome of the current pay claim.
- Follow up actions are being taken since a wrong side door failure on 6th April 2017. The investigation into this incident will examine why post modification checks did not pick up incorrect wiring. Modification techniques are to be examined in this context.

4626.5

Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- Phase 1 of the Customer First Programme (CFP) went live on 24th April 2017. The system has settled down and is now performing well. Work is now focused on the design activities for the replacement of booking office machines and portable sales devices. The project plan for CFP Phase 2 is being updated to reflect the impact of the delay with Phase 1.
- The Commercial Department won a number of marketing and social media awards recently. The board expressed its congratulations.
- The board noted that Mr. John Lynch had taken up responsibility in another part of the organisation. The board expressed its thanks for the work he carried out during his time as General Manager, Rosslare Europort.

4626.6

Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- Significant improvements are expected once the Limerick Resignalling Project has been completed.
- It now appears that the CRR has asked Iarnrod Eireann to consider upgrading existing train braking systems. This development has the potential to add considerable cost and delay to the Automatic Train Protection System (ATPS) Project. It was agreed that a letter seeking clarity should be written to the CRR before the trains are fitted with TPS. **Mr. Cunningham**
- At a recent meeting, the CRR again raised the issue of whether Ireland would be using a Class B system rather than the Class A European Railway Traffic Management System (ERTMS), even though previously his consultant had confirmed that Iarnrod Eireann's proposals were for a Class A system. The CRR has agreed to seek clarification from the European Rail Agency (ERA).
- A total interdisciplinary review of performance during the 2016 low rail adhesion (LRA) season took place on 27th April 2017. Plans are being prepared for the 2017 season.

- The proposed work programme including amendments for the 2017 IM MAC have been submitted to the DTTAS. However, the contract has not been signed as it has not been formally approved by the DTTAS yet.
- Additional detail on technological solutions at user worked level crossings have been submitted to the CRR as requested. However, as the next meeting is not scheduled to take place until 20th July 2017, interim access to the CRR's consultant on the matter will be required.

4627 ADVISORY/POLICY PAPERS

4627.1 Trains Advisory Group (TAG)

Mr. Cliff Perry, Member of the Trains and Safety Advisory Groups joined the meeting at this time.

4627.2 The Report from the Chairman of the TAG previously circulated was taken as read and noted.

4627.3 The Chairman of the TAG, Mr. McGreevy, advised of the following matters considered at the recent TAG meeting:

- Implementation of CFP Phase 1.
- Review of train performance (including the impact of the recent secondary picketing during the Bus Eireann industrial action).
- Refurbishment proposals for Class 2700 DMUs. (This is critical as it is the first step in the long term fleet strategy).
- Recommended increase in the intake numbers for apprenticeships. Budgetary constraints were noted by the board. It was suggested that Iarnród Eireann should broaden the conversation and seek more Government funding (not just limited to DTTAS funding). **Mr. Franks**
- Scanrail AG is carrying out a formal assessment to enable Iarnród Eireann to renew ECM (Entity in Charge of Maintenance) accreditation.
- A strategy review of the Enterprise service is underway with Northern Ireland Railways.

4627.4 Organisation Design Steering Group (ODSG)

The Report from the Chairman of the ODSG previously circulated was taken as read and noted.

4627.5 The Chairman of the ODSG, Mr. McGreevy, advised of the following matters considered at the recent ODSG meeting:

- Appointments to a number of leadership positions.
- Preparatory works for the implementation of changes to front line customer services.
- Briefings with the CRR and the NTA on the emerging findings of the AD Little review of the 4th Railway Package implications. However, the DTTAS is not showing a similar level of engagement.
- Proposal to revise the ODSG's Terms of Reference.
- The key next step is to engage with staff on how the planned changes to the front line customer services will be implemented while progressing safety approvals.

4627.6 Draft Forecast 2017 and Five Year Plan 2018-2022

The draft Forecast for 2017 and Five Year Plan covering the period 2018 to 2022 previously circulated was taken as read and noted.

4627.7 Mr. Cronin presented the Forecast and Five Year Plan. This was discussed in detail by the board. It was suggested that further information on the following should also be provided in the plan:

- An attempt should be made to estimate the impact of Brexit.
- The risk of failure to secure the 2016 Rail Review funding levels on which the draft forecast and Five Year Plan is based.
- Further clarification on the extent of the network.
- Further clarification on heavy maintenance expenditure.
- Whether a 10% p.a. volume growth can be accommodated before the issue of capacity is addressed.
- Whether the assumption of no pay increases is realistic.
- Details of the impact of a 1% change in payroll costs.

- The transfer of RU surplus funds to IM should be analysed further to show depreciation separately.
- Level of engagement with the DTTAS on the PSO surplus transfer to the IM (via the MAC rather than coming in through the NTA).
- Clarification on the length of time it will take to complete the asset recovery plan.
- Impact on punctuality and revenue of the absence of extra investment for the asset recovery plan.
- Further clarification in respect of the Class 2700 DMU Refurbishment Project –v- cost of power packs.
- Impact of climate change.
- Sensitivity analysis to support the Profit and Loss Account.
- Sensitivity analysis to recognise capacity constraints.

4627.8 It was agreed that Mr. Cronin would update the Five Year Plan to take into account the above mentioned feedback from the board. **Mr. Cronin**

4627.9 **Application for Renewal of Safety Authorisation and Certification**

Mr. Michael Power, Safety Advisor, joined the meeting at this time.

4627.10 The memorandum previously circulated was taken as read and noted.

4627.11 Mr. Power gave an overview of the project plan of work that has to be carried out to support the application for the renewal of safety authorisation for the IM and safety certification for the RU for which current versions expire in March 2018. It was noted that a review of standards to ensure compliance with regulations had already been carried out. The next step includes an independent audit of the IM and RU Safety Management Systems (SMSs), their development as an “enabling” suite of documents that fully reflect best practice and take into account potential future regulatory changes.

4627.12 It was noted that overview discussions of the proposed application have already taken place with the CRR and it is expected that final submissions will be made in the autumn. The importance of seeking clarity from the CRR of his expectations was emphasised, particularly with respect to the revised SMS. Also, it was important that the CRR “open” items be progressed to completion although it was recognised that this would be difficult for some of these items. It was noted that an independent resource to assist Iarnrod Eireann would be appointed from mid-June 2017.

4627.13 The board noted that Mr. Power had been recently appointed as Head of Transformation (for the Organisation Redesign Project) and thanked him for the excellent work that he carried out in his safety role.

Mr. Power left the meeting at this time.

4628 **CAPITAL EXPENDITURE PROPOSAL**

4628.1 **Class 2700 DMU Refurbishment Project**

The memorandum previously circulated was taken as read and noted.

4628.2 The board gave its approval for planned capital expenditure of up to [REDACTED] (including non-recoverable VAT) to undertake a tender for the refurbishment and reintroduction to service of the Class 2700 DMU fleet to provide additional passenger capacity in accordance with the recently accepted short term capacity strategy.

It was noted that:

- Funding for this project will be requested from the NTA.
- No liability will be incurred if Iarnrod Eireann goes to tender and the NTA subsequently does not provide the funding.
- A separate submission will be presented to the board in respect of which of the alternative replacement transmissions becomes the final choice.
- A VAT refund is not due to Iarnrod Eireann. It is due to CIE.

4628.3 It was agreed that a revised paper should be submitted to the CIE Board for approval which would provide greater detail on the capacity issue.

4629 PROCUREMENT

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4629.1 Procurement Report

The Procurement Report for Period 4 2017 previously circulated was taken as read and noted.

4629.2 Contract (Framework Agreement)

The memorandum previously circulated was taken as read and noted.

4629.3 Ballast Framework Agreement

The board gave its approval for the establishment of a framework agreement with the following companies for the production and delivery of washed ballast:

- FP McCann Ltd.
- Roadstone Ltd.
- BD Flood Ltd.
- Hill Street Quarries Ltd.
- Arkil Ltd.
- Tullyraine Quarries Ltd.
- Peter Fitzpatrick Ltd.

It was noted that:

- The framework agreement will operate for a period of three years with an option to extend for a further one year.
- The estimated value of the awards to be made under the framework agreement over the four years period is [REDACTED].
- The funding source for this framework agreement will be the MAC.

4629.4 Award Criteria

The memorandum previously circulated was taken as read and noted.

4629.5 The board gave its approval for the award criteria as presented to facilitate the progression of the tender process for the provision of a managed payroll service for a period of up to eight years.

It was noted that:

- The total estimated contract value of the initial five years is [REDACTED].
- The funding source for this contract will be from the operational budget of Iarnród Éireann.

4629.6 It was agreed that Mr. Reynolds would provide more details in respect of the weighting given to system resilience. **Mr. Reynolds**

4629.7 In response to Mr. Wynne, it was confirmed that the cost of carrying out the work in house will be compared with the cost of the outsourced option and a final recommendation will be brought back to the board.

4629.8 It was agreed that the paper for the submission to the CIE Board would be amended to include the requirement for a costed option in respect of weekly payrolls. **Mr. Reynolds**

4629.9 Procurement Timetable

The Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Moloney and Mr. Reynolds left the meeting at this time.

4630 ADMINISTRATIVE ITEMS

4630.1 Transaction for Approval, Sealing and Signing

The transactions (4) for approval and sealing at the meeting were approved and sealed.

Appendix I

The transactions (2) for approval and signing at the meeting were approved and signed.

Appendix II

4630.2 Bad/Doubtful Debt Write Off Procedure
The memorandum previously circulated was taken as read and noted.

4630.3 [Redacted]

4630.4 [Redacted] Mr. Cronin

4630.5 Corporate Governance Documents
The memorandum previously circulated was taken as read and noted.

- 4630.6** The following was agreed:
- (a) The proposed Terms of Reference for the Board (including the Division of Responsibilities between the Chairman and the Chief Executive) should be amended to reflect the role of the Chairman in the areas of safety and risk management. Chairman
 - (b) The Schedule of Matters Reserved for Iarnrod Eireann Board Decision was approved subject to an amendment to reflect the aforementioned threshold level in respect of bad or doubtful debts.
 - (c) The proposed revised Terms of Reference for the ODSG were approved.

4630.7 Rolling Agenda
The memorandum previously circulated was taken as read and noted.

4630.8 The Chairman stated that he would like the NTA to be invited to the next meeting. Mr. Franks

4631 **ANY OTHER BUSINESS**
Mr. Perry advised that his work with Iarnrod Eireann is due to end shortly. He thanked everyone for making his time as a director of the company and subsequently as a consultant to the company a very enjoyable one. The board thanked him for his valuable contribution over the years.

4632 **DATE AND LOCATION OF NEXT MEETING**
Wednesday 28th June 2017 at 9.30am in Heuston Station.

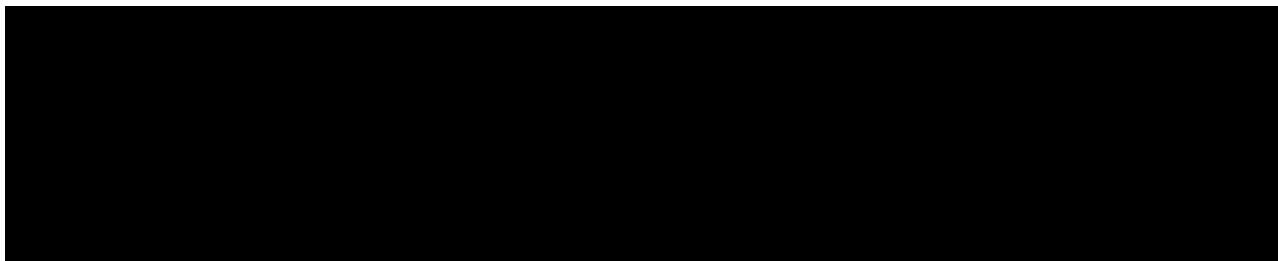
Chairman _____
Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Company Secretary
Iarnród Éireann
30th May 2017

TRANSACTIONS FOR APPROVAL AND SIGNING



Company Secretary
Iarnród Éireann
30th May 2017

STRICTLY PRIVATE AND CONFIDENTIAL

IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986

IARNRÓD ÉIREANN - IRISH RAIL

MINUTES OF THE THREE HUNDRED AND FIFTEENTH
BOARD MEETING HELD ON WEDNESDAY 28th JUNE 2017
AT 9.30AM IN HEUSTON STATION.

PRESENT:

Mr. Phil Gaffney	Chairman
Mr. Frank Allen	Director
Ms. Carolyn Griffiths	Director
Mr. Mal McGreevy	Director
Mr. John Moloney	Director
Dr. Peter Mulholland	Director
Mr. Tommy Wynne	Director

IN ATTENDANCE:

Mr. Colm Costello	Group Solicitor (part)
Mr. Aidan Cronin	Chief Financial Officer
Mr. Gerry Culligan	Commercial Director
Mr. Don Cunningham	Director Infrastructure Manager
Ms. Geraldine Finucane	Company Secretary
Mr. David Franks	Chief Executive
Mr. Ronan Gill	Chief Financial Officer, CIE
Mr. Ronan Glynn	Safety, Technical & Approvals Manager (part)
Ms. Anne Graham	Chief Executive, National Transport Authority (part)
Mr. Jim Meade	Director Train Operations
Mr. Peter Muldoon	Manager, Operations & New Works (part)
Mr. Cliff Perry	Member, Safety and Trains Advisory Groups
Mr. Colm Reynolds	Chief Procurement Officer (part)
Mr. Mike Sowden	Chairman, Infrastructure Advisory Group

MIN NO.

4633 CONFLICT OF INTERESTS

4633.1 No conflicts of interests were declared.

4634 MINUTES

4634.1 The Minutes of the meeting held on 30th May 2017 previously circulated were taken as read and noted. They were signed by the Chairman as a true record of the proceedings.

4634.2 Outstanding Action Items

The memorandum previously circulated was taken as read and noted.

4635 CHAIRMAN'S COMMENTS

4635.1 The Chairman welcomed Dr. Peter Mulholland to his first board meeting. He was appointed to the board by the Minister for a three year period with effect from 12th June 2017. The Chairman advised that Dr. Mulholland has extensive experience in human resources in a number of companies, most notably in RTE which he left last year. He noted that Mr. Franks will prepare a familiarisation programme for Dr. Mulholland. He recommended that Dr. Mulholland join the Organisation Design Steering Group (ODSG) with a view to him taking over as Chairman of the ODSG in due course. The board agreed to this appointment.

- 4635.2** The Chairman noted that there are still two vacancies on the board. He advised that the Minister has received a recommendation for one of these but the process has not started for the other.
- 4635.3** The Chairman advised that Ms. Anne Graham, Chief Executive of the National Transport Authority (NTA), will attend for part of the meeting to give feedback to the board on the Rail Review consultation process and the next steps. He encouraged the board to probe her on the proposed way forward and her thinking on where the Department of Transport, Tourism and Sport (DTTAS) and the Minister are on the issues raised, especially with respect to funding and proposals for the closure of lightly used lines.
- 4635.4** The Chairman advised that included on the agenda for discussion was a letter dated 19th June 2017 from the Commission for Railway Regulation (CRR) to the Company Secretary and copied to himself. He proposed that it be discussed when the Group Solicitor, Mr. Costello, joins the meeting to give an update on legal disputes.
- 4635.5** The Chairman advised that the agenda included a revised version of the “Division of Responsibilities between the Chairman and the Chief Executive” document. This has incorporated amendments discussed at the last board meeting, which were the inclusion within the Chairman’s responsibilities, items on risk and safety.
- 4635.6** It was noted that Minister Ross had been reappointed by the new Taoiseach, Mr. Varadkar. The Chairman advised that he was due to meet the Minister later in the afternoon.

4636 RAIL REVIEW CONSULTATION

Ms. Anne Graham, Chief Executive of the NTA, joined the meeting at this time.

- 4636.1** Ms. Graham’s presentation previously circulated was taken as read and noted.
- 4636.2** Ms. Graham presented details of the Rail Review consultation process which covered the following:
- Number of submissions received.
 - Breakdown of stakeholder submissions (political parties, stakeholder organisations, others, locations).
 - Themes of the submissions, which included infrastructure, strategic forward planning, timetabling, fares/ticketing, train service improvements, societal, funding, environmental, customer service, freight, tourism and rail –v- road.
 - Network specific issues raised which included:
 - Opening a new line to Navan/Kells,
 - Dublin/Rosslare Line,
 - Service enhancement to the Dublin/Newry/Belfast Line,
 - Waterford/Limerick Junction Line,
 - Ballybrophy/Limerick Line and
 - Western Rail Corridor.
 - Next steps.
Responses to the issues raised will be finalised by the NTA and Iarnród Éireann over the next month. A report on the consultation will then be presented to the DTTAS. A report on the submissions received will also be published.
- 4636.3** Matters discussed included the following:
- The response should outline the incremental cost of proposals and should state that the company is cash constrained. Ms. Graham stated that the NTA will respond positively where it can e.g. on timetabling issues.
 - Reference to the housing issue.
Mr. Franks stated that there are some limited revenue opportunities in this regard within the Rail Review. Ms. Graham advised that lines and service frequencies cannot be reduced until the outcome of the National Planning Framework is known at the end of the year. More consideration must be given to the development around regional cities and the potential for further commuter services. However, it was noted that priority must be given to where people are located and compared with proposals to close lightly used lines.
 - The original Rail Review document should be updated to take into account submissions received from the consultation process. Ms. Graham suggested that tactically the NTA should wait until the Exchequer Budget is announced and see what funding is available before any decisions are taken. However, it was felt that

Iarnród Éireann's Five Year Plan has the most up to date figures and these should inform the Government's budget decisions.

- The report in respect of the consultation process would be published if the DTTAS is happy for this to be done.
- In response to the suggestion that the track access charge is higher in Ireland than elsewhere, it was clarified that this only relates to the freight access charge. In other countries it is public policy to incentivise freight. Therefore, their freight track access charges are lower than in Ireland. This highlights an opportunity to seek Government incentives for Ireland.
- With respect to service removal and line closures, Ms. Graham advised that the process is for the NTA to receive an application from Iarnród Éireann. Then a detailed analysis is carried out. Following public consultation, the issue is then presented to the NTA Board for decision. It was noted that if the decision is not to close the line, then a certain level of maintenance will have to be carried out and the full planned savings would not be achievable. Mr. Franks confirmed that this gap has been identified and set out.

Ms. Graham left the meeting at this time.

4636.4 Mr. Allen noted that it would take time to derive savings from line closures. However, Mr. Franks warned that such savings would not necessarily flow back to Iarnród Éireann because the NTA may want to secure funding for use elsewhere. However, it was important to submit fully costed information to the NTA as soon as possible. The Chairman agreed stating that Iarnród Éireann's response should focus on the numbers given that the company needs funding. It should also state that Iarnród Éireann's proposals are backed up by the Rail Review document itself.

4636.5 There followed a discussion on the possibility of any short term gain that could be generated with respect to the housing issue and whether there might be potential infrastructure funding for Iarnród Éireann in this regard. Mr. Cunningham suggested that any planning for housing should be around existing infrastructure. The Chairman stated that in this context, the existing infrastructure should operate at its best capacity and any opportunities for additional funding in this regard should be pursued e.g. to upgrade service levels.

4637 CHIEF EXECUTIVE'S REPORT

4637.1 The Chief Executive's Report previously circulated was taken as read and noted.

4637.2 Mr. Franks presented his report and referred to the following matters:

- A serious signal passed at danger (SPAD) incident occurred on 10th May 2017 on the Heuston/Portlaoise service at Inchicore.
 - A less serious SPAD occurred on 15th May 2017 on the Newbridge/Grand Canal Dock service at Hazelhatch.
 - Another wrong side failure (train door) occurred during Period 5 2017. A particular relay issue is being investigated and the whole fleet is being checked out.
 - A selection of reported close calls during Period 5 2017 are being followed up. A trend analysis is to be provided for the next Safety Advisory Group (SAG) meeting.
- Ms. Doyle**
- There were two more positive drugs and alcohol tests for contractors during Period 5 2017. These were detected during training courses. More focus is to be placed on contractors who are the employers in these cases. They should be detecting this among their employees.
 - Three near miss incidents occurred at level crossings during the period. This demonstrates the importance of implementing the proposed low cost technical solution as soon as possible.
 - The answer rate for telephone calls deteriorated during Period 5 2017. This reflects the early issues encountered in the first week of the new Customer First system. This has settled down now.
 - Planned completion for the installation of sanding equipment on the Class 201 fleet has been delayed until October 2017.
 - The deadline for the supply of some customer frontline equipment has slipped out to March 2018.

4637.3 Matters discussed included the following:

- A number of projects are being delayed because of signalling, electrical and telecoms (SET) resource issues.
- Due to problems with SET performance in recent years Mr. Peter Mason has been appointed on a temporary basis for a period of 9 to 12 months to lead the SET team. His priority will be to review the allocation of resources and efficiency arrangements within the SET Department. It will be helpful to have an external view. He was selected through a search of the market. Mr. Pat Judge, Chief Engineer, SET, has been asked to examine strategic issues within the SET Department and will continue to report into the Director Infrastructure Manager (IM).
- It was noted that there are a number of SET projects in the pipeline (train protection system (TPS), new control room, GSMR Project). It will be important to plan and skill up for them and for future projects.
- Iarnród Éireann personnel attended a European Union Agency for Railways (ERA) event on 14th June 2017 in Amsterdam to discuss the implications of the 4th Railway Package. A key message from the ERA was that only the European Rail Train Management System (ERTMS) will be approved going forward. Therefore, if the exemptions permitted under the Directive are not upheld, this will have implications for Iarnród Eireann's planned roll out of automatic train protection (ATP) because it is not fully ERTMS compatible given that Ireland has an isolated rail network. This matter was not discussed fully during the meeting. Therefore, a further meeting with the ERA and the CRR is required urgently, given that the TPS trial is imminent. It was noted that any delays now will impact on the cost benefit analysis and risk reduction profile of the project. The board also noted that the CRR have been involved with the project for some years and have provided the necessary approvals to date.
- A Labour Court hearing on the pay claim has been set for 31st July 2017. A Labour Court hearing on past productivity has been set for 3rd August 2017. All matters need to be dealt with together because of the potential cost impact on the company. Mr. Wynne stated that the company should recognise that since the last meeting, public servants have been offered a pay increase of 7% over three years.

4637.4 Finance

Mr. Cronin presented the Finance Report for Period 5 2017 and referred to the following matters:

- The company generated a surplus of ██████████ during Period 5 2017 compared to a forecasted surplus of ██████████. The company incurred a year to date loss of ██████████ compared to a forecasted loss of ██████████.
- Total passenger revenue in the period was 0.3% worse than forecast. The negative variance is due to the timing of the allocation and recognition of revenue by the Customer First Programme software. This allocates revenue to the period when travel is consumed. The negative variance will reverse by year end.
- More multi annual contract (MAC) capital work than forecast was carried out during Period 5 2017 resulting in an adverse MAC revenue effect in the period. In addition, less infrastructure maintenance was carried out during the period resulting in a positive expenditure variance (excluding the internal access charge).
- Cash generated as at the end of Period 5 2017 was ██████████ better than forecast. This arises mainly from lower working capital requirements. It is a timing issue and will be worked through over time.
- Shareholders' Funds were ██████████ as at the end of Period 5 2017, a reduction of ██████████ year to date. Net assets were ██████████ of called up share capital as at the end of the period.
- The NTA public service obligation (PSO) and capital audits are complete. No significant issues arose.
- Expenditure opportunities in the areas of fuel volumes, claims provisions and payroll costs (due to delayed recruitment) amounting to ██████████ have been identified.

4637.5 Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- Driver resource issues heading into the summer period.
- Driver trainees are still awaiting in cab training. Referral of the mentoring and past productivity issues to the Workplace Relations Commission (WRC) did not reach a solution. The case has now been referred to the labour court. Mr. Wynne advised that all the driver issues boil down to one key issue and once that is resolved everything else is likely to be resolved.

- Positive customer feedback has been received on how the line closure in Limerick (due to necessary resignalling work) was handled.
- The Spring 2017 Amárach Report on fare evasion was published recently. It demonstrated continued good performance for the Revenue Protection Unit. The results of the report have contributed to deployment plans over the summer so that efforts will be concentrated in a more targeted manner.
- Level of dependency on driver overtime due to the lack of new driver training for two years.

4637.6 Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- There has been no interaction with the CRR during the month of June on the issue of level crossings. The CRR will be busy with the Luas Cross City Project for the next while. However, Iarnród Éireann will have access to the CRR's consultant and a meeting has been planned for next week.
- Recent serious flooding on the DART network highlighted deficiencies in Irish Water's drainage system. They have been asked to activate their remedial plans as soon as possible. While some of them are costly, a number can be implemented immediately.
- It is disappointing that the brief for the transport consultants to be appointed by Fingal County Council does not refer to Iarnród Éireann's projects e.g. spur line to Dublin Airport. Iarnród Éireann has written to the NTA and Fingal County Council requesting that a DART land reservation east of the airport be protected. It was noted that Iarnród Éireann has had positive engagement with the National Planning Framework Office in this regard.

4637.7 Mr. Wynne advised that the new temporary speed restriction (TSR) and emergency speed restriction (ESR) lights are very good. However, there is no sign of the "sheets". Mr. Meade advised that these are to be rolled out imminently. In addition, Mr. Cunningham advised that the issue with respect to standardised heights for the lights is to be completed soon.

4637.8 Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- A submission to the NTA on the net financial effect (NFE) calculation required under the public service contract (PSC) will be submitted by the end of the week. The assumptions contained in it will be aligned with the Five Year Plan.
- Under the 4th Railway Package, the NTA will be required to introduce tougher performance criteria in the PSC should they decide to continue to award a direct contract to Iarnród Éireann beyond December 2019. This will have financial consequences and will require additional funding (including investment to update IT systems). However, the NTA argue that such funding should be taken out of profits. Continued engagement in this regard will take place.

[REDACTED]

[REDACTED]

[REDACTED] **Mr. Culligan**

4638 ADVISORY/POLICY PAPERS

4638.1 The Report from the Chairman of the IAG previously circulated was taken as read and noted.

4638.2 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4638.3 In addition, Mr. Sowden advised of his attendance at a recent PTS course and a recent cab ride, both of which were excellent. He referred to the good track that he observed demonstrating that the ballast cleaning is paying off.

- 4638.4** Matters referred to included the following:
- The recommendations following the review of signalling wrong side failures will cover such matters as the maintenance regime within the rolling stock and a review of signalling rules.
 - The long term impact on track life of flooding will be highlighted to Irish Water. This may assist in their business case for funding.
 - A business case must be carried out in respect of a mobile data collection project.
 - Hand back speeds following track possession are becoming quicker. The Chairman encouraged the company to keep in touch with up to date techniques in this regard.

4638.5 **Audit and Risk Review Group (ARRG)**

The Report from the Chairman of the ARRG previously circulated was taken as read and noted.

- 4638.6** The Chairman of the ARRG, Mr. Allen, highlighted the receipt by the ARRG of a progress report on the management action plan following the audit report into the administration of Fixed Payment Notices. Confirmation of the completion of outstanding actions is to be provided by the end of the summer.

4638.7

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **Mr. Meade**

- 4638.8** Ms. Griffiths queried the scope of the audit landscape and asked whether it covered all risk areas or whether it is just revenue focused. The Chairman stated that it excludes safety related risks and this should continue. All audits are carried out by the Group Internal Audit Department and these are principally financial focused. However, one off audits are requested to ensure that everything is captured. In addition, at the end of the year when the Group Internal Audit is preparing its forthcoming audit plans, it examines the risk register and takes suggestions from management.

4638.9 **Risk Management**

Mr. Ronan Glynn, Safety, Technical & Approvals Manager, joined the meeting at this time.

- 4638.10** The Quarterly Risk Report as at June 2017 previously circulated was taken as read and noted.

4638.11 Mr. Glynn advised of the following:

- Following a review of Risk Appetite and Policy in light of the revision of the Five Year Plan, it has not been considered necessary to amend the Risk Management Framework.
- All newly identified risks have been recorded on the Risk Management Information System and are being managed in accordance with the Risk Management Framework.
- An independent risk assessment of SPADs with a risk rating of greater than 20 has been conducted by SNC-Lavalin to ascertain whether further risk actions may be necessary to meet “as low as reasonably practicable” (ALARP) standards in advance of the roll out of the TPS system. The report will be presented to the next SAG meeting. **Mr. Glynn**
- The Network Wide Risk Model is currently being updated to take account of 2016 safety performance. A presentation in this regard will be given at the next SAG meeting. **Mr. Glynn**
- Two new Principal Risks have been identified. These were outlined by Mr. Glynn.
- The effectiveness of risk treatments was outlined with the improvement arising from the implementation of the Customer First Programme highlighted.
- Risk of a serious cyber security attack given recent worldwide incidents.
- The replacement TVM equipment is expected to be rolled out by the end of the year thus reducing the end of life risks of the existing equipment.
- Details of key performance indicator (KPI) targets for specific Principal Risks and the performance against these targets were noted. The performance in respect of SPADs was recorded as “poor”. However, the associated Residual Risk is low because of the existence of other controls and the low residual consequences

associated with such events. However, it is the company's policy to seek continuous improvement in this area.

4638.12 Following a more detailed discussion of the Risk Report, the board expressed its satisfaction with progress. However, it was noted that Risk Appetite needs to be revisited every year.

4638.13 **External Risk Management Review**

The draft Report on the External Risk Management Review carried out by Mazars previously circulated was taken as read and noted.

4638.14 Mr. Glynn outlined the contents of the report as follows:

- Background to and scope of the review.
- Observations on risk maturity:
 - Significant advancement in risk management processes have been made over the past number of years.
 - The risk management system and processes are well understood by management.
 - The Risk Management Framework was found to be operating effectively.
 - The maturity level was found to be at the third (out of five) level of maturity.
 - Moving to the next level of maturity would involve the roll out of the Risk Management Framework to lower levels of the organisation. However, the cost may not be justified. Iarnród Éireann feels that it is not ready to move to this stage yet because of the youth of the system, the need to be fully satisfied with the output and for it to be well embedded at executive level first.
 - A Chief Risk Officer should be appointed in order to comply with the Code of Practice for the Governance of State Bodies.
 - The formal Terms of Reference for the board should specifically set out responsibility for risk management.
- Observations on current state:
 - This included observations on risk management culture, strategy and policy, risk structures, risk processes, risk methodology and risk systems.
- Other potential areas of improvement were also identified.

4638.15 The board discussed the report and considered it to be a fair assessment of progress to date. Mr. Franks stated that he was pleased with where the company is on the maturity spectrum. He had spoken to Mazars on how things should be moved forward. The Chairman stated that he would be uncomfortable in pushing responsibility for risk management further down the organisation at present. However, information could come from the bottom upwards via workshops.

4638.16 The Chairman thanked Mr. Franks, Mr. Cronin and Mr. Glynn for their work on the project to date. He stated that it gives comfort to the board knowing that the executive team regularly and rigorously reviews risks. It was now important for the company to move forward at its own pace as part of a natural progression. However, this must not negatively impact on the rest of the Group. Mr. Gill advised that a more comprehensive report from Mazars covering the rest of the Group is to be completed at the end of August 2017 for presentation to the next CIE Board Audit and Risk Committee meeting in September 2017.

4638.17 Mr. McGreevy pointed out that the appointment of an overarching chief Risk Officer (even though a requirement of the Code of Practice for the Governance of State Bodies) may dilute risk ownership. Mr. Franks stated that Mr. Glynn as Safety Validation Officer, works as a facilitator. This process works well.

Mr. Glynn left the meeting at this time.

4638.18 **Update on Legal Disputes**

The Group Solicitor, Mr. Colm Costello, joined the meeting at this time.

4638.19 Mr. Costello gave a verbal report on legal disputes involving Iarnród Éireann but highlighted that these exclude any personal injury claims. He gave an update on the following:

- CRR
 - [REDACTED]
 - [REDACTED]

- 4638.25** Following further discussion it was agreed that:
- Ms. Finucane should circulate the CRR's latest letter to the board. **Ms. Finucane**
 - Mr. Franks should draft a letter in response to the CRR offering to meet him on the board's behalf. This letter should be circulated to the board for comment. **Mr. Franks**
 - When the response is finalised it should be signed and sent to the CRR by Ms. Finucane. **Ms. Finucane**

4638.26 Mr. Perry stated that this was his last board meeting. However, he wished to advise that he had observed the deterioration in Iarnród Éireann's relationship with the CRR in recent times and found it to be personally very difficult. He gave examples of incidents which contributed to his personal feelings in this regard. He explained why he thought there was a breakdown in trust between Iarnród Éireann and the CRR, despite the efforts of the Chairman and himself. However, despite the difficult situation, the board must do the right thing. He agreed with the board that the Chief Executive should meet the CRR. Mr. Perry stated that when he came to Iarnród Éireann first he had serious safety concerns. However, he wished to reassure the board that the way safety is now being dealt with has been completely transformed. This is due to the hard work of management with the support of the board.

Mr. Costello left the meeting at this time.

4638.27 **Revised Draft Five Year Plan**

The revised Draft Five Year Plan previously circulated was taken as read and noted.

4638.28 Mr. Cronin advised that the revised Draft Five Year Plan takes into account comments made by Directors at the last board meeting. He explained, in particular, the changes to the analysis of the Train Operations Profit and Loss Account, the Asset Recovery Plan and the Consolidated Profit and Loss Account over the period 2017 to 2022. He stated that the Five Year Plan had been discussed with the DTTAS (including New Era) and the NTA. New Era had asked for a Profit and Loss Account, Balance Sheet and Cash Flow to be prepared outlining what the scenario would be if the Asset Recovery Plan was not completed as it is unlikely that funding to repair the Balance Sheet and to fund the Asset Recovery Plan would be provided. This has been done.

4638.29 The board agreed that this was disappointing news. It was agreed, therefore, that the response to the Rail Review consultation process should be issued to the NTA as soon as possible. Mr. Allen stated that he was also concerned that the company may not achieve its ambitious revenue targets. In addition, the company is likely to encounter capacity problems. Mr. Franks expressed his concern about the level of Shareholders' Funds. It was agreed that the commentary in the Draft Five Year Plan should be strengthened now that it appears that Iarnród Éireann will not get the funding it thought. **Mr. Cronin**

4638.30 Mr. Wynne asked whether the DTTAS or the NTA had made any comments on the fact that the Draft Five Year Plan does not assume any pay increase. Mr. Franks stated that they both understood what the impact of a pay rise would be. Iarnród Éireann does not have the scope to award a pay increase because of the level of its Shareholders' Funds.

4638.31 The revised Draft Five Year Plan was approved subject to the commentary being strengthened. Mr. Wynne's comments with respect to pay increases was noted.

Mr. Gill left the meeting at this time.

4638.32 **National Control Centre (NCC)**

Mr. Peter Muldoon, Manager, Operations & New Works joined the meeting at this time.

4638.33 The advisory paper previously circulated was taken as read and noted.

4638.34 Mr. Muldoon gave an update on the current status of the NCC Project and covered matters such as the objective and scope of the facility, location, building design, system requirements (including interfaces with other systems), backup strategy, business case, reasons for the difference between the current project cost estimate and the 2014 project cost estimate, timetable and technical governance.

- 4638.35** Matters discussed included the following:
- Security of funding and inclusion in the Five Year Plan.
 - The biggest risk to the project will be the interface with legacy systems. The role of the Systems Integration Manager will be critical as he/she will have to manage this risk.
 - External expertise will be required to manage the numerous (approximately 20) individual contracts that will be required to deliver the project.
 - It is expected that the programme will involve a two year hand over period between 2020 and 2022.

Mr. Muldoon left the meeting at this time.

4639 **CAPITAL EXPENDITURE PROPOSALS**

The four memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4639.1 GSM-R Phase 3

Expenditure of ██████████ to implement Phase 3 of the GSM-R Project.

It was noted that:

- This phase will complete the national roll out of GSM-R (with the exception of the lightly used lines) and the fit out of the remaining diesel fleet with GSM-R cab radios.
- This will bring the total board approved expenditure for this project to ██████████.
- Initial funding is provided under the 2014-2018 MAC to commence this phase and further funding will be sought in the subsequent MAC programme up to 2022 to complete the project.

4639.2 New Underbridge UBC43A on the Cork Line – Additional Works

An increase in expenditure from ██████████ to cover the costs associated with the revised scope and design for the construction of a new underbridge, UBC43A, on the Cork Line.

It was noted that:

- The project is being carried out by Iarnród Éireann on behalf of Kildare County Council to facilitate the construction of the combined M7 Osberstown Interchange and R407 Sallins Bypass which will pass through the new underbridge.
- All costs incurred by CIE/Iarnród Éireann will be recovered from Kildare County Council.

4639.3 Broombridge Station Luas Interface – Additional Works

An increase in expenditure from ██████████ for the construction of a new footbridge at Broombridge to cover the additional costs for increasing the scope to include Luas Cross City Project interface works (access road into the station, landscaping and retaining walls).

It was noted that:

- The project is being carried out on behalf of Transport Infrastructure Ireland as part of the Luas Cross City Project.
- All costs incurred by Iarnród Éireann will be recovered from Transport Infrastructure Ireland.

4639.4 Overbridge OBB026 on the Belfast Line – Additional Works

An increase in expenditure from ██████████ to cover an increase in costs associated with the widening of the railway overbridge, OBB026, on the Belfast Line at the Back Road, Malahide.

It was noted that:

- The project is being carried out on behalf on Fingal County Council.
- The proposed widening is to accommodate a single footpath, on the northern side of the bridge in order to improve the level of safety for pedestrians using the bridge.
- All costs incurred will be recovered from Fingal County Council.

4640 PROCUREMENT

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4640.1 Procurement Report

The Procurement Report for Period 5 2017 previously circulated was taken as read and noted.

4640.2 Contracts, Selection and Award Criteria, etc.

The six memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4640.3 TPS - Trackside Equipment

Selection criteria as presented to shortlist suitable candidates to participate in the tender for the design (including safety validation requirements), supply, installation, testing and commissioning of the trackside equipment of the TPS.

It was noted that:

- The estimated value of this contract is [REDACTED].
- The funding source for this contract is the MAC.

4640.4 TPS - On Board Equipment Framework Agreement

- (a) To note that in 2011 a framework agreement was awarded to Alstom Ferroviaria SPA for the design and supply of TPS equipment. Although the estimated spend under the framework agreement was in the order of [REDACTED], board approval was not sought at that time.
- (b) To note that an initial call off contract under the framework agreement was awarded in 2011 at a value of [REDACTED] for the supply of 21 units. This value remains under bond.
- (c) A further call off for 87 units at a cost of [REDACTED] [REDACTED]

4640.5 Framework Agreement for Civil Engineering and Building Works [REDACTED]

The entry in to a three year multi-party framework agreement with 15 companies outlined below for civil engineering and building works for tender values from [REDACTED] excluding VAT:

Coffey Construction Ltd.
KN Network Services Ltd.
Brian Conneely & Company Ltd.
P&D Lydon Plant Hire Ltd.
Stephen Byrne Plant Hire & Civil Engineering
John Cradock Ltd.
SAF Building & Civil Engineering
Global Rail Services Ltd.
Cumnor Construction Ltd.
Clonmel Enterprises Ltd.
Total Highway Maintenance Ltd.
John Sisk & Son (Holdings) Ltd.
Weslin Construction Ltd.
Murphy International Ltd.
Ward & Burke Construction Ltd.

It was noted that:

- This framework agreement will operate for a period of three years with an option to extend for a further year.
- The estimated spend under this framework over the four year period is [REDACTED].

4640.6 Underbridge UBC43A on the Cork Line

The award of a contract to Sisk, for the construction of a new underbridge, UBC43A on the Cork Line at a tendered cost [REDACTED]

It was noted that:

- The non-recoverable VAT is estimated at [REDACTED] providing a total estimated contract value of [REDACTED].
- All costs incurred by Iarnród Éireann will be recovered from Kildare County Council.

4640.7 Re-introduction of 2700 Class DMU into Passenger Service
Selection criteria as presented to short list suitable candidates to participate in the tender for the undertaking of the refurbishment of the 2700 DMU fleet so that they can be re-entered into passenger service.

It was noted that:

- The estimated cost for this contract is [REDACTED].
- Funding for this contract will be sought from the NTA.

4640.8 On Board Catering Services
The award of a contract to Corporate Catering for the provision of on board catering services for both the Republic of Ireland and the Dublin/Belfast Enterprise services at an estimated cost of [REDACTED].

It was noted that:

- The contract term is three years with an option to extend for an additional period of up to two years subject to agreeing pricing/fees for the final two years.
- The initial three year period cost is [REDACTED]. The cost to Iarnród Éireann is [REDACTED] excluding VAT. The non-recoverable VAT arising is estimated at [REDACTED] giving a total Iarnród Éireann contract value figure of [REDACTED] for the initial three year period.
- Additional to the [REDACTED], optional pricing for the replenishment of Iarnród Éireann's trolley and urn hardware infrastructure has been received at a cost of [REDACTED].
- The funding source for Iarnród Éireann's portion of this contract is Iarnród Éireann's operational budget.

4640.9 Procurement Timetable
The Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Reynolds left the meeting at this time.

4641 ADMINISTRATIVE ITEMS

4641.1 Transactions for Approval, Sealing and Signing
The transactions (5) for approval and sealing at the meeting were approved and sealed. **APPENDIX I**

The transactions (5) for approval and signing at the meeting were approved and signed. **APPENDIX II**

4641.2 [REDACTED]

4641.3 [REDACTED]

4641.4 Changes to Corporate Governance Documents
The two memoranda previously circulated were taken as read and noted.

4641.5 Approval was given for:

- Terms of Reference for the Iarnród Éireann board, including the Division of Responsibilities between the Chairman and the Chief Executive and
- The update of the Directors' Manual accordingly.

- 4641.6 The board noted:
- The revised document outlining CIE's Obligations regarding the Publication of Reports and Accounts as required under the revised Code of Practice for the Governance of State Bodies 2016 and
 - The update of the Directors' Manual accordingly.

4641.7 **Protected Disclosures During 2016**
The memorandum previously circulated was taken as read and noted.

4641.8 The board noted that Iarnród Éireann is required to issue a report every year under the Protected Disclosures Act 2014. It noted that Iarnród Éireann had reported that it had received no protected disclosures during 2016.

4642 **ITEMS FOR NOTING**

4642.1 **Chairman's Report to the Minister**
The Chairman's Report to the Minister following the board meeting on 30th May 2017 previously circulated was taken as read and noted.

4642.2 **Legislation and Government Publications**
The board noted the following:

- (i) S.I. No. 87 of 2017 – Railway Safety Act 2005 (Section 26) Levy Order 2017.
- (ii) S.I. No. 194 of 2017 – European Union (Transport of Dangerous Goods by Rail) (Amendment) Regulations 2017.
- (iii) S.I. No. 250 of 2017 – Companies (Accounting) Act 2017 (Commencement) (No. 2) Order 2017.

4642.3 **Advisory Group Minutes**
The Minutes of the following Advisory Group meetings previously circulated were taken as read and noted:

- (i) Audit and Risk Review Group Minutes 21st March 2017.
- (ii) Infrastructure Advisory Group Minutes 13th April 2017.

4642.4 **Rolling Agenda for 2017**
The memorandum previously circulated was taken as read and noted.

4643 **ANY OTHER BUSINESS**

4643.1 The Chairman thanked Mr. Perry for all of the work he carried out and the contribution he made to Iarnród Éireann over the past number of years in his role as Director and as a Consultant. The Chairman stated that this work was very much appreciated and the company owed him a great deal.

4643.2 Mr. Franks expressed his personal thanks and that of the management team and the board to the Chairman for the contribution that he made to Iarnród Éireann as a director and subsequently as Chairman over the past 11 years. Everyone present thanked him warmly and wished him the best for the future.

4644 **DATE AND LOCATION OF NEXT MEETING**
To be confirmed.

Chairman _____

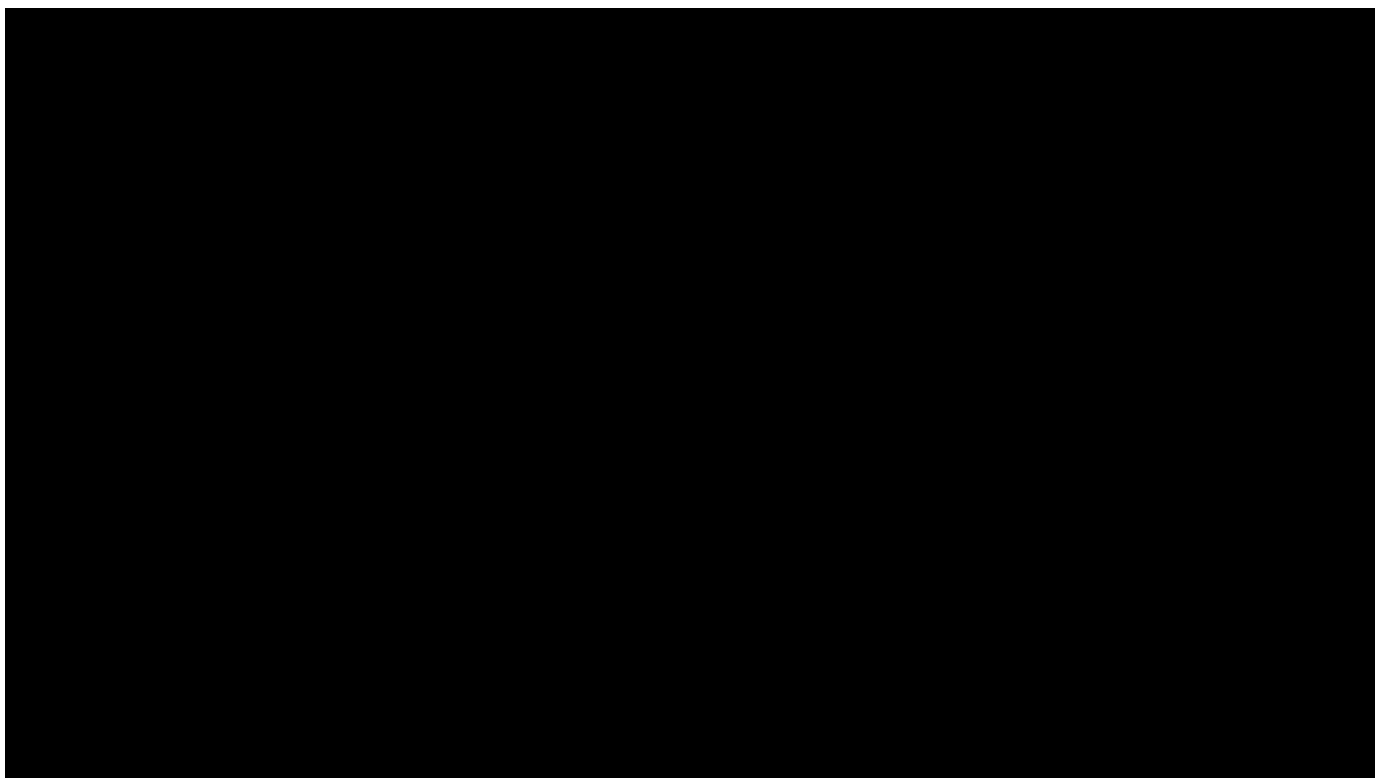
Date _____

TRANSACTIONS FOR APPROVAL AND SEALING



Company Secretary
Iarnród Éireann
28th June 2017

TRANSACTIONS FOR APPROVAL AND SIGNING



Company Secretary
Iarnród Éireann
28th June 2017

STRICTLY PRIVATE AND CONFIDENTIAL

**IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986**

IARNRÓD ÉIREANN - IRISH RAIL

**MINUTES OF THE THREE HUNDRED AND SIXTEENTH
BOARD MEETING HELD ON TUESDAY 29th AUGUST 2017
AT 9.30AM IN HEUSTON STATION.**

PRESENT:	Mr. Frank Allen	Acting Chairman
	Mr. Carolyn Griffiths	Director
	Mr. Mal McGreevy	Director
	Mr. John Moloney	Director
	Mr. Peter Mulholland	Director
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Aidan Cronin	Chief Financial Officer
	Mr. Gerry Cullinan	Commercial Director
	Mr. Don Cunningham	Director, Infrastructure Manager
	Ms. Kay Doyle	Strategic Safety Manager (part)
	Mr. Cyril Dunne	Chief Operating Officer, CIE
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Sean Geoghegan	RU Safety Compliance Officer (part)
	Mr. Jim Meade	Director, Train Operations
	Mr. Colm Reynolds	Chief Procurement Officer (part)

MIN NO.

4645 NOMINATION OF ACTING CHAIRMAN FOR THE MEETING

4645.1 In the absence of a Chairman, the meeting was convened at the request of a majority of directors. The board agreed that Mr. Allen should chair the meeting. It was also agreed that until a Chairman is appointed, anything that would normally come before the Chairman should be circulated to the board.

4645.2 Mr. Franks advised that he had heard from Ms. Hanlon of the Department of Transport, Tourism and Sport (DTTAS) that the Minister is actively engaged on the issue of board vacancies.

4645.3 Mr. Franks also advised that today was Mr. Gerald Beesley's last day at work before his retirement as Commissioner for Railway Regulation (CRR).

4646 CONFLICT OF INTERESTS

4646.1 No conflicts of interests were declared.

4647 MINUTES

4647.1 The Minutes of the meeting held on 28th June 2017 previously circulated were taken as read and noted. They were signed by the Acting Chairman as a true record of the proceedings subject to the following amendment:

Minute 4638.8

Amend:

"The Chairman stated that it excludes safety related risks and this should continue."

to:

"The Chairman stated that it excludes safety related risks and this should continue. Safety audits do take place and the safety audit programme goes through the SAG."

4647.2 Matters Arising

1. Minute 4638.12

Mr. Franks advised that Risk Appetite will be picked up as part of work on the Five Year Plan each year.

2. Minute 4638.19

The Acting Chairman stated that he did not find the presentation on legal disputes given at the last meeting to have been well prepared. Some of the questions asked were not satisfactorily answered, in particular that relating to Iarnród Éireann's reasoning for judicially reviewing An Bord Pleanála's decision relating to a bridge. He asked for the issue of legal disputes to be put on the board agenda on a periodic basis and for a review of the process behind significant legal strategy decisions.

4647.3 Outstanding Action Items

The memorandum previously circulated was taken as read and noted.

4648 **OUTSTANDING CORRESPONDENCE FROM THE COMMISSIONER FOR RAILWAY REGULATION (CRR)**

4648.1 The following documents previously circulated were taken as read and noted.

- Correspondence dated 2nd August 2017 and a follow up letter dated 28th August 2017 concerning Iarnród Éireann's Corporate Health and Safety Policy.
- Correspondence dated 13th July 2017 and a follow up letter dated 28th August 2017 concerning Iarnród Éireann's application of its Safety Management Systems.

4648.2 There followed a lengthy discussion during which it was reiterated by Mr. Franks that changes are made to the SMS regularly. Iarnród Éireann does not have to revert back to the CRR for approval every time. However, it was noted that the original Standard 13 required the CRR to be made aware of significant changes to the SMS. This no longer happens because the revised Standard 13 which was approved by the board in line with procedures does not contain a similar requirement. Neither is this a requirement under the Common Safety Method (CSM). However, some directors felt that the CRR's difficulty may be that the amendment to the original Standard 13 did not take place under the pre-existing procedures that pertained at the time.

4648.3 Given the imminent retirement of Mr. Beesley, the board discussed whether matters are likely to improve on the appointment of a new Commissioner or whether the legacy relationship issues would continue. In this context the good relationship between Iarnród Éireann management and other members of staff in the CRR was noted. However, it was noted that many statements are now on the record including those contained in the CRR's Annual Report for 2016. This situation needs to be addressed.

4648.4 The board agreed the items to be contained in their response to the correspondence relating to the Corporate Health and Safety Policy which Ms Finucane was asked to draft.

Ms. Finucane

4648.5 In discussing the board's response to the correspondence relating to Iarnród Éireann's application of its SMS, it was felt that it should address the relationship with the CRR as well as with the matters relating to the safety validation process for the strategic safety manager positions. It was agreed that the response should:

- Assure the CRR of the commitment of the board and management of Iarnród Éireann to working with the CRR for the safe operation of the railway.
- Contain an explanation and timeframe for the process that is being adopted to validate the safety positions.
- Refer to the involvement of an independent third party specialist.
- Outline the progress made to date on other matters referred to by the CRR.
- Give an explanation for the delay in responding which was due mainly to the fact that there was no board meeting during the summer period.
- Indicate the board's agreement to a meeting with the CRR after a new Chairman is appointed. However, if the appointment of a new Chairman is not soon, the board should state that it would be willing to make arrangements to meet the CRR by the end of September. A meeting after the September board meeting would be convenient for directors, if that suited the CRR.

- Request that an advance meeting take place between the CRR and the Chief Executive as had been previously requested by the board.

Ms. Finucane

Mr. Wynne left the meeting at this time.

4648.6 The board further decided that:

- The people who attended the meeting with Mr. Logan of the CRR's office, should liaise with him directly regarding his notes of that meeting which were referred to by the CRR in his correspondence to the board.
- The Safety Advisory Group (SAG) should continue to monitor the open items with the CRR and the programme for the re-certification process.

4648.7 **CRR's 2016 Annual Report**

The board noted that the CRR's Annual Report for 2016 has been published and loaded up on the CRR's website. It didn't read well from Iarnród Éireann's prospective and hopefully an improvement will be reflected in the 2017 Report.

4649 **CHIEF EXECUTIVE'S REPORT**

4649.1 The Chief Executive's Report previously circulated was taken as read and noted.

4649.2 Mr. Franks presented his report and referred to the following items:

- Year to date financial performance for Period 8 2017 is ahead of target.

- [REDACTED]

Mr. Culligan

- Customer complaints were higher than target due to service disruptions and train failures during the summer period.
- The operating cost per passenger train kilometre, while on target for the year, was behind target during Period 8. This is to be examined.
- Significant safety incidents since the last board meeting included:
 - A derailment in Waterford Yard on 27th June 2017.
 - Collisions at level crossings on 4th July and 2nd August 2017.
 - Fall from an overbridge on 9th July 2017.
 - Bridge strike at Amiens Street Bridge on 10th July 2017.
 - Signals passed at danger (SPADs) on 4th and 11th August 2017. One of these was a high ranking SPAD. Neither were driver reminder appliance (DRA) preventable. However, they do not reflect a growth in drivers anticipating signals.
- Following a Labour Court hearing on 31st July 2017 regarding a pay claim, the matter was referred back to the Workplace Relations Commission (WRC).
- Drivers' issues regarding productivity and mentoring were heard in the Labour Court on 14th August 2017. The Labour Court issued a recommendation for a 1.5% increase. However, this would be a significant cost to the company and is not provided for in the budget for 2018 or in the Five Year Plan. A way to fund this needs to be found and discussions on the matter will take place with the DTTAS and the National Transport Authority (NTA).
- While drivers have been trained to use the new GSMR radio system, they have indicated that they will refuse to operate it on the grounds that it forms part of their productivity claim.
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- Good progress is being made on the various elements of the Leadership Development Programme.

4649.3 Matters discussed included the following:

- Given the increase in passenger demand and the likely capacity issues that will arise the Acting Chairman asked for details of initiatives that are being taken to be provided at the next meeting.
- Staff are aware of the increase in revenue and feel that this has been generated by the same level of service but with less staff numbers.

Mr. Meade

- There is a requirement for the Government to issue legislation to implement the 4th Railway Package. However, they may seek an extension in this regard. At present the DTTAS appears to be happy with the current status quo. However, this must be kept under review in case there are any last minute changes to their position.

4649.4 Finance

Mr. Cronin presented the Finance Report for Period 8 2017 and referred to the following matters:

- The Financial results for Period 8 2017 and for the year to date are favourable to forecast. This is as a result of improved revenue and delayed expenditure.
- The delayed expenditure arises mainly from the deferral of a number of infrastructure projects which are rescheduled to be completed by Period 11 2017.
- Cash generated as at the end of Period 8 was [REDACTED] better than forecast. This was due to a timing issue relating to the early receipt of multi annual contract (MAC) and public service obligation (PSO) payments. This is not a permanent positive variance and will reverse throughout the remainder of the year.
- Preliminary tax computations indicate that [REDACTED] in respect of tax losses for 2016 [REDACTED] will be transferred to the CIE Group. This will be offset against taxable profits (mainly property related) generated at Holding Company level. It was noted that all of Iarnród Éireann's property is held in the Holding Company Balance Sheet. Mr. Dunne advised that the NTA wants the application of an infrastructure access charge by CIE to its subsidiary companies for the use of the property asset held by CIE. This would be recognised by the NTA in "net financial effect" (NFE) calculations for PSO payments. The income generated by CIE would flow back to the subsidiary companies. This charge is already being applied to Bus Átha Cliath.
- The Half Year Accounts for 2017 have been completed and submitted to CIE. The Acting Chairman asked that these should be sent to the Audit and Risk Review Group (ARRG). **Mr. Cronin**
- Mr. Dunne advised that the Consolidated Half Year Accounts for 2017 have not been sent to the DTTAS yet as these are usually incorporated into the CIE Chairman's Half Year Report to the Minister. However, CIE does not have a Chairman at the moment. It has been agreed with DTTAS that a draft should be submitted in the meantime.

4649.5 Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- The management of increasing passenger numbers particularly on the Maynooth and Northern Commuter Routes. (There is no ability to increase capacity in the morning peak prior to the reintroduction of the 2700 DMU fleet. The tender process for the refurbishment of this fleet has commenced.)
- The selection of on board customer service personnel is progressing.
- Plans have commenced in preparation for the forthcoming low rail adhesion (LRA) season.
- Meetings have commenced with the NTA regarding a new public service contract (PSC). It is likely that the level of detail required for new key performance indicators (KPIs) will require funding for investment in additional IT systems.
- A door incident which occurred on an Enterprise coach on 31st July 2017 is to be reviewed by Northern Ireland Railways (NIR) who had recently overhauled this fleet. The matter will also be considered by the SAG.

4649.6 Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- The call answering service contract with Capita expires in September. It is out for retender at the moment. The ability to ramp up and ramp down resources to deal with the varying levels of demand is the benefit of having a service provider. However, during the summer the call answer rate was below target because there was a high spike in demand due to concerts etc. It was noted that performance should improve again in Period 9. It was noted that overall performance had improved over the three year period of the contract.
- Phase 1 of the Customer First Programme (CFP), has been formally closed out. There has been a positive revenue result from online booking. Focus is now being placed on Phase 2 of the project which will involve the deployment of booking office machines, portable devices and Leap. To date, system testing is not making the progress that had been expected. A high level of defects have been identified. No user acceptance testing will be carried out until the issues raised have been resolved by Cubic.
- [REDACTED]

4649.7 Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- The short term recruitment programme for the Signalling, Electrical and Telecoms (SET) Department for 2017 is progressing. However, an integrated plan for the future needs to be developed. A workshop between the SET Department, the Chief Civil Engineering (CCE) Department and the Projects Department has been scheduled to review emerging plans.
- The delay in the IM work schedule was explained. A detailed plan for the remainder of the year to meet the allocated work programme is in place.
- Progress is being made with the CRR regarding the user worked level crossing upgrade.
- The Stage 3 Application for Placing In Service in respect of automatic train protection (ATP) was rejected by the CRR. However, the reasons are very specific and can be addressed.
- SNC Lavalin have advised that Iarnród Éireann is exempt from the requirement to have European Railway Traffic Management System (ERTMS) compatible ATP equipment. One of the main reasons is that Ireland has an isolated network. Iarnród Éireann is confident that it will meet the criteria necessary to obtain a derogation from this requirement. However, in any implementation of new ATP equipment, there will be a technically feasible migration path to ERTMS if it ever becomes necessary in the future.

4649.8 Update on the Chief Executive's Performance Objectives

The memorandum previously circulated was taken as read and noted.

4649.9 Mr. Franks advised that his objectives had been discussed with the former Chairman and had been reviewed by the CIE Board Remuneration Committee.

4649.10 The board noted the update and emphasised to Mr. Franks how critical it is to improve Iarnród Éireann's relationship with the CRR.

4650 ADVISORY/POLICY PAPERS

4650.1 Trains Advisory Group (TAG)

The Report from the Chairman of the TAG previously circulated was taken as read and noted.

4650.2 The Chairman of the TAG, Mr. McGreevy, advised of the following matters considered at the recent TAG meeting:

- Progress with the Customer First Programme (CFP).
- Impact of Labour Court discussions on train timetable revisions and staff restructuring.
- Fleet strategy paper.
- Urgent need to reintroduce the Class 2700 DMU fleet into service.
- Proposal for the development of a new transmission system for Class 22000 InterCity railcars (ICRs). With proper design and integration the modern ZF transmissions will outperform the legacy Voith transmissions.

4650.3 Organisation Design Steering Group (ODSG)

The Report from the Chairman of the ODSG previously circulated was taken as read and noted.

4650.4 The Chairman of the ODSG, Mr. McGreevy, advised that Mr. Mulholland was now in attendance at ODSG meetings. He stated that he was happy to continue in the role as Chairman until Mr. Mulholland is up to speed and happy to take over that role.

4650.5 Mr. McGreevy advised of the following matters considered at the recent ODSG meeting:

- A meeting is to take place with the CRR on 4th September 2017 to finalise approvals for changes to the safety organisation under Work Package 1 (WP1).
- Internal applications for on board front line and supervisory customer service positions have been received and short listed. Interviews are to be held shortly. A review of the on-board approach to be adopted was supportive and suggestions are being acted on.
- Stakeholder briefings (including with the DTTAS) on the 4th Railway Package have taken place. Clarification has been received that Government policy does not include inviting private sector operators to bid to run existing Iarnród Éireann services. However, more challenging performance targets will be required from Iarnród Éireann by the NTA.

[REDACTED]

4650.17 **Chief Executive's Half Year Report to the Chairman**
The draft Chief Executive's Half Year Report to the Chairman previously circulated was taken as read and noted.

4650.18 A number of amendments were suggested. These related to the following:

- The Safety KPI table,
- Reference to capacity constraints,
- Proposals that were deferred due to limited funding availability and
- Terminology with respect to accident "targets".

4650.19 It was agreed that an amended version of the report should be signed and submitted by the Chief Executive to the new Chairman when appointed and to CIE. **Mr. Franks**

4651 **CAPITAL EXPENDITURE PROPOSALS**

4651.1 The two memoranda previously circulated were taken as read and noted.

4651.2 **Pearse Station Roof Renovation – Scope Change**
The board gave its approval for additional expenditure of [REDACTED] on the tender action phase of the Pearse Station Roof Renewal Project to utilise a "design and build" contracting strategy, increasing the budget for this phase of the project to [REDACTED].

It was noted that the additional funding for this project has been agreed by the NTA.

4651.3 **Class 22000 InterCity Railcar (ICR) Fleet Transition Development**
The proposal in respect of the Class 22000 ICR transition development was deferred pending the presentation of a best estimate of a life cycle costed business case.

4651.4 **Closeout Reports**
The six closeout reports previously circulated were taken as read and noted.

4651.5 The board gave its approval for the closeout of the following projects:

1. Accessibility Platform 6 and 7 at Connolly Station – Planning, detailed design and construction.
2. Malahide Viaduct Footbridge.
3. Malahide Viaduct.
4. Bridge Deck at Dun Laoghaire Phase 3.
5. Bridge Deck at Dun Laoghaire (The Metals) Phase 2.
6. Limerick to Foynes Railway – Preliminary design stage.

4652 **PROCUREMENT**
Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4652.1 **Procurement Report**
The Procurement Report for Period 7 2017 previously circulated was taken as read and noted.

4652.2 **Contract, Selection and Award Criteria etc.**
The five memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4652.3 **Supply of Wheels and Axles**
The award of a five year agreement with the option to extend by a further two years on an annual basis to Bona Trans AS for the supply of rolling stock wheels and axles to Iarnród Éireann.

It was noted that:

- The annual contract value is estimated at [REDACTED] based on an estimated supply of 1,460 wheels and 285 axles.
- The non-recoverable VAT arising is estimated at [REDACTED] p.a. giving a total contract award figure of [REDACTED].
- The funding source for the contract will be from the Chief Mechanical Engineering heavy maintenance budget.

4652.4 Electrical, Systems and Services

The award of a contract to the incumbent, Global Rail, for the provision of both planned and unplanned maintenance and replacement of electrical systems and services for a four year period.

It was noted that:

- The estimated value of services to be delivered under the contract over the four year period is [REDACTED].
- The funding sources for the contract is the MAC.

4652.5 Mechanical and Electrical Systems – Framework Agreement

The award criteria as presented to commence a tendering process to establish a framework agreement for the provision of mechanical and electrical systems and services.

It was noted that:

- The proposed duration of the framework agreement is four years.
- The estimated value of services to be awarded under the agreement over the four year period is [REDACTED].

4652.6 Car Park Management Services

The award of a contract to APCOA for the provision of car park management services at an estimated cost of [REDACTED] over a five year period. The term is for three years with an option to extend for a further two years at Iarnród Éireann's discretion.

It was noted that:

- The pricing rates are fixed for five years but actual spend under the contract is determinable on fluctuating activity such as the frequency of clamping incidents and credit card charges. All VAT costs are fully recoverable.
- The funding source for the contract will come from the RU operational budget.

4652.7 Location Case Equipment

The continuation with an award of contract, without a call for competition, to STT Solutions Ltd. for the supply of trackside equipment enclosures.

It was noted that:

- The original estimated contract value was [REDACTED] and thus awarded without board approval. However, due to the volume of requirements it was noted that the value will [REDACTED] within this period.
- The contract was awarded to STT Solutions Ltd. in April 2015 for a three year term. The contract includes a provision to extend the term of the contract by two years.
- The funding source for the contract is the MAC.

4652.8 Procurement Timetable

The up to date Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Reynolds left the meeting at this time.

4652.9 Storage Tank Lease to the National Oil Reserves Agency (NORA)

The memorandum previously circulated was taken as read and noted.

4652.10

The board gave its approval for the lease of a bulk storage tank to [REDACTED] with a projected storage capacity of [REDACTED] which will create a storage fee revenue of [REDACTED] excluding VAT. It was noted that:

- The storage fee will be adjusted in line with 75% of the Consumer Price Index (CPI) each anniversary. (The other 25% of goods and services covered by CPI have no

impact on the cost of operating and maintaining oil storage facilities). The lease duration is for five years with an option to extend for a further five years.

- CIE Board approval will be sought as this relates to access being granted to infrastructure without a competitive process.

4653 ADMINISTRATIVE ITEMS

4653.1 Transactions for Approval, Sealing and Signing

The transactions (14) for approval and sealing at the meeting were approved and sealed.

Appendix I

The transactions (4) for approval and signing at the meeting were approved and signed.

Appendix II

4653.2 Changes to Corporate Governance Documents

The two memoranda previously circulated were taken as read and noted.

4653.3 The board noted the following revised documents which had been approved by the CIE Board:

- CIE Board Audit and Risk Committee Terms of Reference.
- Re-engagement by CIE of Former Employees / Directors and Retired Staff.

4654 ITEMS FOR NOTING

4654.1 Chairman's Report to the Minister

The Chairman's Report to the Minister following the board meeting on 28th June 2017 previously circulated was taken as read and noted.

4654.2 Legislation and Government Publications

The board noted the following:

- (i) Notice of Amendments which had been submitted to the Minister for Transport, Tourism and Sport in respect of the CIE Superannuation Scheme 1951 (Amendment) Scheme 2000 and the CIE Spouses and Children Superannuation Scheme (Amendment) Scheme.
- (ii) SI No. 373 2017 – CIE Pension Scheme for Regular Wages Staff (Amendment) Scheme (Confirmation) Order 2017.
- (iii) SI No. 374 of 2017 – CIE Superannuation Scheme 1951 (Amendment) Scheme (Confirmation) Order 2017.
- (iv) SI No. 378 of 2017 – CIE Pension Scheme for Regular Wages Staff (Amendment) Scheme (Confirmation) Order 2017.

4654.3 Advisory Group Minutes

The Minutes of the following Advisory Group meetings previously circulated were taken as read and noted:

- (i) Safety Advisory Group Minutes 11th April 2017.
- (ii) Organisation Design Steering Group Minutes 22nd May 2017.
- (iii) Trains Advisory Group Minutes 22nd May 2017.

4654.4 Rolling Agenda for 2017

The memorandum previously circulated was taken as read and noted.

4655 ANY OTHER BUSINESS

4655.1 Directors agreed that board meetings should continue to be convened in accordance with the original timetable.

4655.2 It was agreed that on this occasion the Acting Chairman should sign the letter to the Minister that is usually sent after board meetings.

4655.3 The Acting Chairman asked for the draft responses to the CRR to be circulated to the board for comment before they are issued.

Ms. Finucane

4657 DATE AND LOCATION OF NEXT MEETING

Wednesday 27th September 2017 at 9.30am in Heuston Station.

Chairman

Date



Company Secretary
Iarnród Éireann
29th August 2017

TRANSACTIONS FOR APPROVAL AND SEALING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Company Secretary
Iainród Éireann
29th August 2017

STRICTLY PRIVATE AND CONFIDENTIAL

**IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986**

IARNRÓD ÉIREANN - IRISH RAIL

**MINUTES OF THE THREE HUNDRED AND SEVENTEENTH
BOARD MEETING HELD ON WEDNESDAY 27th SEPTEMBER 2017
AT 10.05AM IN HEUSTON STATION**

PRESENT:	Mr. Frank Allen	Acting Chairman
	Ms. Carolyn Griffiths	Director
	Mr. Mal McGreevy	Director
	Mr. John Moloney	Director
	Mr. Peter Mulholland	Director
	Mr. Tommy Wynne	Director
IN ATTENDANCE:	Mr. Glenn Carr	General Manager Freight & Rosslare Europort (part)
	Mr. Aidan Cronin	Chief Financial Officer
	Mr. Gerry Culligan	Commercial Director
	Mr. Don Cunningham	Director, Infrastructure Manager
	Mr. Cyril Dunne	Chief Operating Officer, CIE
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Ronan Glynn	Safety, Technical & Approvals Manager (part)
	Mr. Colm Reynolds	Chief Procurement Officer (part)
	Mr. Mike Sowden	Chairman, Infrastructure Advisory Group
ABSENT:	Apologies were received from Ms. Valerie Little and Mr. Jim Meade.	

MIN NO.

4658 NOMINATION OF ACTING CHAIRMAN FOR THE MEETING

4658.1 In accordance with the decision taken at the last board meeting, this meeting was convened in accordance with the original timetable. The board agreed that Mr. Allen should chair the meeting.

4659 INTRODUCTORY COMMENTS

4659.1 Mr. Allen advised that he had received a letter from the Minister outlining the Minister's intention to appoint him as Chairman of Iarnród Éireann. However, the process of appointment involves Mr. Allen appearing before the Joint Oireachtas Committee on Transport first. Once this process has been completed a formal letter of appointment will be issued to Mr. Allen. Therefore, while he is Acting Chairman of the meeting, he is not Chairman of Iarnród Éireann yet.

4659.2 Mr. Allen advised that he had been invited to meet the Minister on 2nd October 2017. This provides an opportunity to make a statement about the company's priorities and concerns.

4659.3 Mr. Allen advised of the appointment of Ms. Valerie Little to the board for a three year period with effect from 22nd September 2017. However, due to the short notice she was unable to attend today's meeting. Given that Ms. Little is an accountant the board agreed to appoint her to the Audit and Risk Review Group

(ARRG) and noted that its next meeting is due to be held before the next Iarnród Éireann board meeting.

4660 CONFLICT OF INTERESTS

4660.1 No conflicts of interests were declared.

4661 MINUTES

4661.1 The Minutes of the meeting held on 29th August 2017 previously circulated were taken as read and noted. They were signed by the Acting Chairman as a true record of the proceedings subject to the following amendments:

1. Minute 4649.2

Amend:

"The Labour Court issued a recommendation for a 1.5% increase."

to:

"The Labour Court issued a recommendation for a 1.15% increase."

2. Minute 4650.7

Add:

"- The SAG received a briefing on the management of bridge scour which in summary is based on a combination of periodic inspection and risk based examination. The programmes for scour inspection, foundation examination and remedial works are completed at a rate constrained by funding but are being completed on the basis of assessed risk. The team raised no issues of particular concern and were confident by comparison with other organisations that their processes represented best practice."

3. Minute 4650.8

Amend:

"She plans to meet North West Rail on 30th August and to meet with Norwegian Railways after that. She will present a paper in October for internal executive comment before discussing the matter with the CRR."

to:

"She plans to meet Network Rail on 30th August and to meet with Norwegian Railways after that. She will take the review findings to the SAG and to the board. There will also be a discussion with the CRR as they had expressed interest."

4661.2 Matters Arising

Minutes 4648.4 and 4648.5

Mr. Allen advised that the Secretary had written to the Acting Commissioner for Railway Regulation (CRR). This was followed up with a phone call inviting the Acting CRR to meet the directors at the end of the board meeting. However, the Acting CRR did not revert to the Secretary on the matter as promised.

4661.3 Mr. Franks and Mr. Cunningham advised that the relationship with the CRR appears to be normalising. A recent meeting took place with personnel from the CRR and it was "business as usual". The Acting Chairman stated that now is the opportunity for Iarnród Éireann to go the extra mile to ensure that the improved relationship continues. If the Acting CRR does not revert back to Iarnród Éireann on the issue of attending a board meeting, then an invitation can be issued to the new CRR, when appointed.

4661.4 Outstanding Action Items

The memorandum previously circulated was taken as read and noted.

4662 CHIEF EXECUTIVE'S REPORT

Mr. McGreevy joined the meeting at this time.

4662.1 The Chief Executive's Report previously circulated was taken as read and noted.

4662.2 Mr. Franks presented his report and referred to the following matters:

- Signal passed at danger (SPAD) in Cork during Period 9 2017.
- Employee lost time accidents.
- Two positive drugs and alcohol test results, one of which is being challenged by the employee.
- Seven level crossing accidents during the period, one of which was a collision with a digger.
- Good revenue and expenditure performance during the period leading to a better bottom line performance than forecast.
- Passenger train derailment at Dun Laoghaire on 13th September 2017.
- Attendance today at the Work Place Relations Commission (WRC).
- Visit by Mr. Franks to a National Transport Authority (NTA) board meeting on 15th September 2017.
- Changes to the role of Safety Advisor.

4662.3 Matters discussed included the following:

- Details of safety key performance indicators (KPIs) can be picked up at Safety Advisory Group (SAG) meetings to avoid duplication at Iarnród Éireann board level.
- The results of the review into the train derailment at Dun Laoghaire are to be presented to the board. **Mr. Culligan and Mr. Meade**
- The SAG needs to be advised of such incidents when they occur so that its members can provide help and support.
- The process with respect to the Rail Review document is that the NTA board was to endorse it at its meeting on 15th September 2017 and then submit it to the Department of Transport, Tourism and Sport (DTTAS) in time for Exchequer budget discussions. However, it is unlikely that the DTTAS will conclude on the facts presented to them in the document or to act on them without a recommendation being presented to them by the NTA.

4662.4 Finance

Mr. Cronin presented the Finance Report for Period 9 2017 and referred to the following matters:

- The Financial Results for Period 9 2017 and for the year to date are favourable to forecast. This is as a result of improved revenue and delayed expenditure.
- The delayed expenditure relates mainly to maintenance work which has been rescheduled to be completed by the end of the year.
- Cash flow as at the end of the period was better than forecast due mainly to better financial results and an improvement in working capital including the early receipt of public service obligation (PSO) and multi-annual contract (MAC) payments.
- Deloitte is due to commence their interim 2017 audit in November. Their Audit Plan is to be presented at the next ARRG meeting.
- The NTA want Iarnród Éireann to prepare an ISAE3000 report on controls around the Leap Card system. However, it has taken the company until now to implement all recommendations arising from 2016. Therefore, a full year of test results will not be available and the required threshold for 2017 will not be achieved. Discussions are taking place with the NTA in this regard.

4662.5 Matters discussed included the following:

- There are no concerns about the delivery of the rescheduled maintenance plans by the end of the year.
- Maynooth Station Burglary:
 - An update was provided to the CIE Board Audit and Risk Committee on 19th September 2017 regarding the burglary at Maynooth Station. A final update is to be provided to the next ARRG meeting. **Mr. Meade**

- The Acting Chairman stated that it shouldn't have taken a theft ■■■■■■■■■■ to alert the company to the lack of checking to ensure that controls are being implemented and followed up when non-compliances are identified.
- Mr. Franks was asked to follow up on the issue of annual leave to be taken in sufficient blocks over a cash cycle so as to minimise fraud. He was also asked to check into any statutory requirements in this regard. **Mr. Franks**
- It was suggested that having the equivalent of an ethical hacker or inspector role (different from the Internal Audit role) should be considered.

4662.6

Train Operations

Mr. Franks outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- Entity in Charge of Maintenance (ECM) Accreditation
SconRail AG of Switzerland have now completed their ECM review of the Chief Mechanical Engineering (CME) Department. They have advised that Iarnród Éireann has been successful in achieving ECM accreditation in respect of all passenger and freight rolling stock fleets. Certification will be formally issued in a few weeks' time following the acceptance of Iarnród Éireann's action plan to address open issues and the approval of the Auditor's report by the SconRail Certification Committee.
- Plans are under way for a timetable change on 10th December 2017 and on that date every year from now on in accordance with international practice. This December's timetable changes will address issues which arose following the introduction of Phoenix Park Tunnel services. They will also incorporate journey time improvements arising from ballast cleaning.
- Managing passenger growth is difficult and limited due to constraints on rolling stock resources. However, the company is continually looking at ways to make the best use and allocation of available rolling stock.
- The Labour Court recommendation relating to the issue of past productivity and driver mentoring was noted. The board asked that Mr. Masterson arrange a meeting with the trade unions as soon as possible to agree the process for mentoring that is to be adopted. **Mr. Masterson**

4662.7

Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- The NTA has issued a draft Vision for PSO Public Transport which indicates that all future direct award contracts will be "gross cost" contracts with the NTA bearing the revenue risk associated with passenger usage. Proposals for moving the revenue levers which the operating companies currently have to the NTA was discussed. These include:
 - Branding (under the Transport for Ireland (TFI) brand).
 - Bus livery.
 - Single point of customer contact and information.
 The board also discussed who would have responsibility for passenger number projections and whether contracts for operators should be based on "margin over cost base" given that revenue levers would be transferred out of the operating companies.
- Phase 1 of the Customer First Programme (CFP) has been completed. There has been a positive benefit in terms of revenue from on-line booking. Phase 2 of the project has been delayed due to the high level of system defects which have been identified. No user acceptance testing will be carried out until the issues raised have been resolved by Cubic. Phase 2 is more customised than Phase 1. This leads to more problems than standard off the shelf products. However, this does not affect revenue because Phase 2 relates to the replacement of the old legacy Crouzet System. Rather than generating revenue benefits, this element of the project will take risks out of the system. However, it has been delayed by approximately six months to date.

4662.8

Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- Train Protection System (TPS)
SNC Lavalin have issued a draft report confirming that Iarnród Éireann is exempt from the absolute requirement to install the European Railway Traffic Management System (ERTMS). Discussions are now to take place with the DTTAS on the issue of a derogation from the European Technical Specification for Control Command Signalling.
- A detailed analysis of the action plan developed arising from DART ATP code loop failures in the Pearse area was presented to the Infrastructure Advisory Group (IAG) on 14th September 2017. 31 of the 46 actions required per the Bruce McDonald Report have been completed to date.
- Given the ongoing issues associated with the provision of train drivers, resulting in engineering works being cancelled, outsourcing opportunities are now being considered. Mr. Wynne expressed his disagreement with this approach. However, it was noted that the driver availability situation would be eased if the driver training and mentoring issue was resolved.
- Positive feedback has been received from the wearer trials to ensure good quality personal protective equipment (PPE). However, the waterproofing of clothing has yet to be put to the test.

4663

ADVISORY/POLICY PAPERS

4663.1

Infrastructure Advisory Group (IAG)

The Report from the Chairman of the IAG previously circulated was taken as read and noted.

4663.2

The Chairman of the IAG, Mr. Sowden, advised of the following matters considered at the recent IAG meeting:

- The IAG supports the proposed track renewal works on the Limerick/Ballybrophy Line because prolonged periods of insufficient maintenance can lead to unintended consequences and standards are likely to fall over time.
 - Plans for the 2017 low rail adhesion season (LRA) include sandite application, tree felling, installation of additional track circuitry, the introduction of the "Orange Cleanse" product and utilisation of data from the train wheel slip protection (WSP) system as a means of identifying LRA hotspot areas more quickly.
 - The threat of coastal erosion on the Dublin/Rosslare Line is growing. The Bray Head Tunnel, Killoughter, and the Murrough areas must be addressed as a matter of urgency as the line could become unstable by 2030 (+/- 10 years). It was noted that there is no mention of this in the Government's National Mitigation Plan. The board asked for a paper on this issue.
- Mr. Cunningham**
- Despite the risks that will be involved during implementation of the Mobile Workforce Project there are significant potential savings to be made. The need for a strong governance process to be put in place to manage potential scope creep and cost escalation was noted.
 - There has been progress with respect to DART ATP Code Loops. However, the importance of obtaining external validation when novel solutions are being adopted was emphasised.
 - The latest set of leading indicators for Signalling, Electrical and Telecoms (SET) systems was reviewed by the IAG. A special review of power distribution equipment was requested for its next meeting.
 - The IAG supports the proposed additional expenditure ██████████ to complete the planning, detail design and tender phases required as a consequence of the further changes to the original scope of the National Train Control Centre Project.
 - The need to document the workload of the SET Department was emphasised at the last IAG meeting. Recruitment of SET staff on the ground is going well. However, the recruitment of agency staff for management roles will be required to give the company time to identify the type of permanent positions that will have to be filled. Indications are that more can be done

to develop competence from within the company. Mr. Peter Mason is confident that the company is getting to grips with the resource issue.

4663.3 Changes to the Position of Iarnród Éireann Safety Advisor

The memorandum previously circulated was taken as read and noted.

4663.4

There was a lengthy discussion on the contents of the memorandum and whether the board was being asked to approve management processes leading to the decision or to approve the content of that decision. If the board is to approve the content of the decision, it would need to review the risk assessments and associated documentation. The memorandum before the board referred to the Safety Advisor position and wider organisational changes but the matter for decision concerned only the former.

4663.5

The board concluded that it was satisfied that management had adhered to appropriate processes with respect to changes to the position of Iarnród Éireann Safety Advisor (with effect from 30th September 2017). In this context it welcomed the additional layer of review which had been provided by the independent chairman (Mr. Stephen Watson). The board was happy with Mr. Watson's conclusion that a risk matrix had been prepared and that the identified risks were adequately addressed and that there would be a high level review of this by SAG members. In this regard it was agreed that details of the risk matrix and mitigating actions should be sent to members of the SAG without delay.

Mr. Franks

4663.6 Review of Rosslare Europort

Mr. Glenn Carr, General Manager Freight & Rosslare Europort, joined the meeting at this time.

4663.7

The memorandum previously circulated was taken as read and noted. An additional memorandum was circulated.

4663.8

Mr. Carr advised of the following:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

4663.9

Matters discussed included the following:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

4663.10

[REDACTED]

Mr. Carr left the meeting at this time.

4663.11 Property Advisory Note

The memorandum previously circulated was taken as read and noted.

4663.12

The board noted the proposals in respect of the disposal of sites at Boston Sidings, Connolly Yard and Galway Yard on the basis of them becoming surplus to Iarnród Éireann's operational requirements, upon the execution of certain works. The board also noted the presentation which had been given to it in respect of each of these proposals in advance of the meeting.

4663.13 The Acting Chairman asked that future development opportunities should be structured to recognise the benefits to Iarnród Éireann of transit-oriented development as well as financial return in the evaluation process. Ms. Griffiths asked that future papers in respect of property matters should outline more explicitly that the property being disposed of is surplus to all Iarnród Éireann's future transport needs.

4663.14 **Quarterly Risk Report**

Mr. Ronan Glynn, Safety, Technical & Approvals Manager, joined the meeting at this time.

4663.15 The Quarterly Risk Report as at September 2017 previously circulated was taken as read and noted.

4663.16 Mr. Glynn advised of the following:

- Following a review by the Executive, the risk of rolling stock capacity constraints (for which Mr. Meade is the Risk Owner) was considered not to be a Principal Risk because actions are being taken in the background to manage the accommodation of passenger growth.
- Actions have taken place to address the risk of a terrorist attack on Iarnród Éireann premises. Following an exercise at Docklands, a protocol is to be developed to enable the shutdown of the entire Iarnród Éireann network upon receipt of an instruction to do so from the security services. However, the risk of a terrorist attack is still considered to be "moderate".
- The risk of industrial action is still considered to be high.
- Iarnród Éireann's Risk Management Framework is being updated to address the recommendations from the Mazars review. This is to be presented to the board for approval later in the year.

4663.17 Mr. Wynne stated that the risk of industrial action need not be high and can be addressed given that the company is performing well at present particularly with respect to revenue and passenger growth. This good performance is being generated with low staff numbers. There comes a point when they should be rewarded. Mr. Moloney added that the risk of industrial action should be addressed in order to avoid the risk of reputational damage to the company. The Acting Chairman emphasised, however, that while passenger revenue is growing, the company still has accumulated losses and its financial stability is not robust. He shared their concerns about the public's reaction to reports of the company's industrial relations difficulties. However, he hoped that there would be progress at today's WRC meeting and that there would be further progress by the next board meeting.

Mr. Glynn left the meeting at this time.

4664 **CAPITAL EXPENDITURE PROPOSALS**

4664.1 The three memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4664.2 National Train Control Centre

Additional expenditure of [REDACTED] to complete the planning, detailed design and tender phases of the new National Control Centre building.

It was noted that:

- The additional expenditure is required as a consequence of the change in location of the building from Connolly to Heuston, changes in third party requirements and for prolongation.
- The proposal will increase the total approved expenditure on this project [REDACTED]
- The NTA will fund the project.

4664.3 Mobile Workforce Project
Expenditure [REDACTED] for the rollout of the mobile workforce project (mobility) into the IM.

It was noted that:

- The total cost of this project is [REDACTED] excluding VAT over seven years. This is made up of capital expenditure [REDACTED] excluding VAT ([REDACTED] including non-recoverable VAT) and operational costs [REDACTED] excluding VAT.
- Funding for the duration of this project has been provided by the Safety Management System's element of the MAC.

4664.4 Class 22000 Eco Transmission Development
Expenditure on the Class 22000 engine raft OEM of up to [REDACTED] (excluding non-recoverable VAT) to develop and install a significantly more fuel efficient and reliable transmission variant on a three car Intercity railcar (ICR) set and to undertake performance evaluation trials during 2018 to support the business case for full fleet deployment.

It was noted that:

- The new transmission also provides a future development path for hybrid technology on the ICR fleet to further increase efficiency which supports the recently accepted fleet strategy.
- Funding for this project will be from the CME Heavy Maintenance Budget 2017 and 2018.

It was suggested that an attempt should be made to get support from the Sustainable Energy Authority of Ireland (SEAI) and the Department of Communications, Climate Action and Environment for this trial. **Mr. Meade**

4665 **PROCUREMENT**

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4665.1 **Procurement Report**

The Procurement Report for Period 9 2017 previously circulated was taken as read and noted.

4665.2 Mr. Reynolds advised that the Wi-fi tender process has now concluded.

4665.3 **Contracts**

The three memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4665.4 **Media Planning and Buying Services**

The award of a contract to Optimum Media Direction Ireland Ltd. for the provision of media planning and buying services [REDACTED] over a five year period.

It was noted that:

- The term of the contract is for three years with an option to extend for a further two years.
- The actual spend to be incurred under this contract is dependent on usage.
- This award value relates to the CIE Group of companies.
- Both agency unit rates and discounts against third party media costs are fixed for the five years.
- The non-recoverable VAT arising is estimated at [REDACTED] giving a total contract value figure of [REDACTED]
- The funding source for this contract will be the operational budgets of the three CIE operating companies.

4665.5 Strategic and Creative Advertising Services

The award of a contract to Publicis, the incumbent, for the provision of strategic and creative advertising services at an [REDACTED] over a five year period.

It was noted that:

- The contract term is three years with an option to extend for a further two years.
- The actual spend to be incurred under this contract is dependent on usage.
- Agency fee unit rates are fixed for the five year term, but additional third party costs are variable.
- The non-recoverable VAT arising is estimated at [REDACTED] giving a total contract value of [REDACTED] over the five year period.
- The funding source for this contract is Iarnród Éireann's operational budget.

4665.6 Mobile Data Collection Platform and Associated Services

The award of a contract to AMT Sybex (part of the Capita Group), for the provision of a mobile data collection platform and associated services at a total cost of [REDACTED] based on a maximum duration of seven years.

It was noted that the contract is to be awarded on a phased basis:

- First phase covering the Infrastructure Management requirements at a cost of [REDACTED] for a full seven year term, subject to board approval of a separate funding paper covering this scope. Non-recoverable VAT is [REDACTED].
- Second phase for extension to the Train Operations and Rosslare at a cost of [REDACTED] will require separate funding and business case approval. Non-recoverable VAT is [REDACTED] giving a total value of [REDACTED].

4665.7 It was suggested that cost benchmarking with Network Rail should be considered in the future.

4665.8 Procurement Timetable

The up to date Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Reynolds left the meeting at this time.

4666 **ADMINISTRATIVE ITEMS**

4666.1 Transactions for Approval, Sealing and Signing

The transactions (4) for approval and sealing at the meeting were approved and sealed. **APPENDIX I**

Mr. McGreevy asked for an explanation to be provided for the difference in licence fees charged for two apparently similar watermain pipes. **Mr. Grogan**

The transactions (2) for approval and signing at the meeting were approved and signed. **APPENDIX II**

4666.2 Appointment of Auditors

The memorandum previously circulated was taken as read and noted.

4666.3 It was proposed by Mr. McGreevy and seconded by Mr. Mulholland and resolved:

- “(a) That, subject to the consent of the Minister for Transport, Tourism and Sport, Deloitte be and are hereby appointed Auditors for the year ended 31st December 2017 and

(b) That the remuneration of the Auditors be fixed at no more than [REDACTED] [REDACTED] for the 2017 audit and [REDACTED] for tax compliance services."

4666.4 Changes to Corporate Governance Document

The three memoranda previously circulated were taken as read and noted.

4666.5 The board noted the following revised documents which had been approved by the CIE Board:

- Revised Terms of Reference for the CIE Board Remuneration Committee.
- Revised CIE Group Remuneration Policy in relation to Board Members and Others.
- Revised Recruitment and Remuneration Policy.

4667 ITEMS FOR NOTING

4667.1 Report to the Minister

The Report to the Minister following the board meeting on 29th August 2017 previously circulated was taken as read and noted.

4667.2 ARRG Annual Report to the CIE Board Audit and Risk Committee

The ARRG Annual Report to the CIE Board Audit and Risk Committee meeting held on 19th September 2017 previously circulated was taken as read and noted:

4667.3 Advisory Group Minutes

The Minutes of the Infrastructure Advisory Group meeting held on 15th June 2017 previously circulated were taken as read and noted.

4667.4 Rolling Agenda for 2017

The memorandum previously circulated was taken as read and noted.

4667.5 It was requested that the rolling agenda be amended to include the following:

- Further Rosslare Update (including invitation to Rebel Consultants).
- Invitation to the CRR.
- Safety Governance Review.
- Coastal Defence Review.

4668 DATE AND LOCATION OF NEXT MEETING

Wednesday 25th October 2017 at 9.30am in Heuston Station.

Chairman _____

Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED] Secretary
Iarnród Éireann
27th September 2017

TRANSACTIONS FOR APPROVAL AND SIGNING

- [REDACTED]
- [REDACTED]

Company Secretary
Iarnród Éireann
27th September 2017

STRICTLY PRIVATE AND CONFIDENTIAL

**IN ACCORDANCE WITH THE TERMS OF SECTION 22 OF THE TRANSPORT
(RE-ORGANISATION OF CÓRAS IOMPAIR ÉIREANN) ACT, 1986**

IARNRÓD ÉIREANN - IRISH RAIL

**MINUTES OF THE THREE HUNDRED AND EIGHTEENTH
BOARD MEETING HELD ON WEDNESDAY 25TH OCTOBER 2017
AT 9.30 AM IN HEUSTON STATION**

PRESENT:	Ms. Carolyn Griffiths	Acting Chairman
	Ms. Valerie Little	Director
	Mr. Mal McGreevy	Director
	Mr. John Moloney	Director
	Mr. Peter Mulholland	Director
	Mr. Tommy Wynne	Director

IN ATTENDANCE:	Mr. Aidan Cronin	Chief Financial Officer
	Mr. Gerry Culligan	Commercial Director
	Mr. Don Cunningham	Director, Infrastructure Manager
	Mr. Cyril Dunne	Chief Operating Officer, CIE
	Ms. Geraldine Finucane	Company Secretary
	Mr. David Franks	Chief Executive
	Mr. Ronan Glynn	Safety, Technical & Approvals Manager (part)
	Mr. John Kennedy	Programme Lead, Payroll Transformation (part)
	Mr. Jim Meade	Director, Train Operations
Mr. Colm Reynolds	Chief Procurement Officer (part)	

ABSENT: Apologies were received from Mr. Frank Allen.

MIN NO.

4669 NOMINATION OF ACTING CHAIRMAN FOR THE MEETING

4669.1 In accordance with the decision taken at the Iarnrod Eireann board meeting held on 29th August 2017, this meeting was convened in accordance with the original timetable. It was noted that Mr. Allen had sent his apologies as he was appearing before the Joint Oireachtas Committee on Transport. In his absence, the board agreed that Ms. Griffiths should chair the meeting.

4670 INTRODUCTORY COMMENTS

4670.1 The Acting Chairman welcomed Ms. Little to her first board meeting.

4670.2 The Acting Chairman expressed the board's appreciation for the staff response to Storm Ophelia both in the provision of services for longer than other public transport companies and for the clean up afterwards.

4671 CONFLICT OF INTERESTS

4671.1 No conflicts of interests were declared.

4672 MINUTES

4672.1 The Minutes of the meeting held on 27th September 2017 previously circulated were taken as read and noted. They were signed by the Acting Chairman as a true record of the proceedings subject to the following amendment:

1. Minute 4662.3

Insert:

“- Details of the number of contract agency staff employed by the company are to be forwarded to Mr. Wynne. **Mr. Franks**“

4672.2 **Outstanding Action Items**

The memorandum previously circulated was taken as read and noted.

4672.3 **Item 454**

It was noted that no new Commissioner for Railway Regulation (CRR) had been appointed yet.

4673 **CHIEF EXECUTIVE'S REPORT**

4673.1 The Chief Executive's Report previously circulated was taken as read and noted.

4673.2 Mr. Franks presented his report and the following matters were discussed:

- In cases of train derailments or collisions, details should be provided to members of the Safety Advisory Group (SAG) as soon as is practical following the incident in case members have advice to offer.
- The Drugs and Alcohol testing of contractors' employees is carried out during training. Therefore, persons testing positive for the presence of drugs or alcohol are prevented from working on the railway. Random and for cause Drugs and Alcohol testing also takes place.
- The trend analysis carried out on lost time accidents and the mitigation plan which is currently being developed are to be presented to the SAG.
- The progress with signalling, electrical and telecoms (SET) recruitment is welcome.
- Delays have occurred in getting approval from the CRR on the Stage 3 Detailed Design Application for a Train Protection System (TPS). While further work is required on the part of Iarnrod Eireann, it was also suggested that an update on the recruitment of a new CRR be sought from the Department of Transport, Tourism and Sport (DTTAS). **Mr. Franks**
- It was acknowledged that some staff outside of the Dublin area had not been able to return home during Storm Ophelia. Mr. Meade agreed to discuss with Mr. Wynne the individual cases where staff may have felt that they were forced to come into work and put their own personal safety at risk. **Mr. Meade**
- The announcement in the Exchequer Budget of an increase in funding for 2018 was welcomed. However, no specific details had been provided yet, especially in relation to the proposed increase in maintenance and safety projects.
- Notice of five days' of industrial action (commencing on 1st November 2017) has been received following the breakdown of recent talks in the Workplace Relations Commission (WRC). There was a lengthy discussion in this regard with Mr. Wynne pointing out that it has been ten years since the last pay increase for staff. Other directors pointed out that pay increases cannot be given unless they are funded by productivity. Reference was also made to the growth in passenger numbers and revenue as well as the underlying financial position of the company. The likelihood of an intervention by the Labour Court was also discussed.

4673.3 **Finance**

Mr. Cronin presented the Finance Report for Period 10 2017 and referred to the following matters:

- The Financial Results for Period 9 2017 and for the year to date are favourable to forecast. This is as a result of improved revenue and lower multi annual contract (MAC) capital work done than forecast resulting in a favourable MAC income effect in the Profit and Loss Account.
- Gross expenditure was adverse to forecast during Period 10 2017 due mainly to more third party work than forecast and more operating and maintenance expenditure than forecast.
- Cash generated at the end of Period 10 2017 was better than forecast due to a better operating result and an improvement in working capital.
- Shareholders' Funds are ██████████ at the end of Period 10 2017, an increase of ██████████ year to date. Net assets as a percentage of called up share capital stood at ██████████ at the end of the period. ██████████ million is required to repair the Balance Sheet. However, there is no indication that this will be provided. It was noted that the National Transport Authority (NTA) funding model is based on a "return on equity" rather than a "return on profit" resulting in a lesser amount due to the company.

- The Department of Communications, Climate Action and Environment (DCCAE) has identified Iarnrod Eireann as a potential Operator of Essential Services (OES) under the EU Directive on the security of network and information systems. However, a review of the company's cyber security readiness highlights the need for investment. Irrespective of the Directive this is an area in which the company needs to invest in (given the level of cyber-attacks) and has been included in the "net financial effect" (NFE) calculation.

4673.4 Train Operations

Mr. Meade outlined the key areas of focus for the Railway Undertaking (RU) as follows:

- Driver discussions.
- A 4/5 year lead time would be required for the procurement of additional rolling stock. However, overcrowding issues are currently being experienced.
- While a 15 minute DART timetable is operating at present, paths have been protected to enable the introduction of a 10 minute DART timetable in 2018.
- Significant savings have already been achieved as a result of the Lean Programme. Lean 2 is to be launched in 2018.

4673.5 Commercial Department

Mr. Culligan outlined the key areas of focus for the Commercial Department as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED] **Mr. Culligan**
- Following a meeting with the Chief Executive and the Managing Director of Cubic, a way forward is emerging to resolve delays with the roll out of the new booking office equipment and mobile devices for the next phase of the Customer First Programme (CFP). Whether penalties will be invoked due to delays will depend on the outcome of the new approach. The importance of preserving the relationship with Cubic was emphasised given the need for the seven year support and maintenance programme that will be required following implementation of the new equipment. While milestone penalties are usual in contracts it was noted that these increase the cost of the contract. In addition, it was also noted that Phase 1 of the CFP has been successfully implemented and is already generating an increase in revenue.

4673.6 Infrastructure Manager (IM)

Mr. Cunningham outlined the key areas of focus for the IM as follows:

- As a result of Storms Ophelia and Brian, the company was hit heavy and early with low rail adhesion (LRA) problems. While there were no signals passed at danger (SPADs) and four platform overruns, 21 of the 28 track circuit failures occurred during Storm Ophelia. Following the clean-up after the storm, there have been no further track circuit failures.
- Mr. Wynne acknowledged the very good assistance provided to drivers by signalmen during the storm periods.
- It was noted that if the impact of both storms are excluded, there would have been an underlying improvement in LRA statistics due to the use of the multi-purpose vehicle north of the border and the introduction of sanding equipment on Enterprise locomotives.
- The System Authority Board (SAB) being established to define clear lines of management responsibility for systems reliant on equipment that reside across different departments will result in a benefit for the company as a whole.
- A two day mental health first aid training course was held during September 2017 to help expand knowledge and enhance mental health awareness.
- 25 code loops have been identified as having a risk of unintended code spill over to adjacent track sections. Immediate mitigation measures and long term action plans have been put in place. Therefore, no risk arises now.

4674 ADVISORY/POLICY PAPERS

4674.1 Budget 2018

The draft Budget for 2018 previously circulated was taken as read and noted.

4674.2 Mr. Cronin presented the Budget for 2018 and referred to the following:

- The Audit and Risk Review Group (ARRG) agreed at its meeting on 19th October 2017 to recommend the 2018 Budget for the approval of the board, noting the concerns over

funding and recognising the need to seek better results from ancillary businesses in the light of the growing economy.

- [REDACTED]
- [REDACTED]
- The assumptions underlying the budget were explained. These related to funding levels (as per the 2016 Rail Review), economic indicators, revenue (volume and fares), fuel, payroll, pensions, own funded capital expenditure, service enhancements and sensitivity.
- The budget is built on the assumptions contained in 2016 Rail Review document in respect of MAC funding from the DTTAS and NFE funding from the NTA. Time will tell as to whether the funding that is finally granted matches the underlying assumptions.
- The funding assumptions assume a recovery from the previous lack of under-investment in the assets.
- A successful cyber-attack would not only result in a loss of revenue but would also result in costs being incurred in running the service and in paying the staff who are available for work. Funding for cyber security has not been included in the budget. The recovery of any costs in the event of a cyber-attack would have to be negotiated with the NTA.
- The total IM funding requirement contained in the budget amounts to [REDACTED]. Any shortfall in this funding would impact on the asset recovery plan, ballast cleaning, automatic train protection, GSMR, etc.
- The growth in passenger revenue and passenger journeys will bring consequential capacity issues.
- The infrastructure base needs to be enhanced with a view to growing ancillary revenue.
- The track access charge is high on freight only lines and is not as high on passenger/freight lines. It is set by the Essential Functions Body (EFB) and compares to the rest of Europe.
- The funds transfer from the RU to the IM in 2017 amounted to [REDACTED]. This included [REDACTED] given to the company early in the year. The budgeted funds transfer for 2018 amounts to [REDACTED].

4674.3 The board gave its approval for the budget for 2018 subject to funding from the NTA and the DTTAS.

4674.4 **Safety Advisory Group (SAG)**

The Report from the Chairman of the SAG previously circulated was taken as read and noted.

4674.5 The Chairman of the SAG, Ms. Griffiths, advised of the following matters considered at the recent SAG meeting on 13th October 2017:

- High level review of the safety validation for the new post of Strategic Safety Advisor. The SAG noted that the safety validation did not identify any hazards relating to this particular post. Other potential risks were identified relating to other posts. However, the conclusion of the independent reviewer was that he was content with the mitigation measures put in place.
- The investigation (undertaken by SNC Lavalin) into whether single line working is deemed "as low as reasonably practicable" (ALARP), in the absence of ATP has concluded that the risk of a SPAD on a single line is ALARP. However, it was subsequently reported that further work had identified one location that did not satisfy this criteria. Immediate action was taken with the implementation of a temporary speed restriction (TSR) while longer term solutions are considered.
- The audit of the IM and RU's Safety Management Systems (SMS) is being undertaken in two parts. They are compliant with railway legislation and the relevant European Common Safety Methods. Recommendations including key performance indicator (KPI) improvements have been provided to aid in the preparation for safety certification. The second part of the review provided helpful suggestions which will feed into the annual Safety Plan.
- Contact is to be made with the Office of Rail and Road (ORR) in the UK to ascertain how they assess expected levels of reporting from Network Rail. This may assist in addressing the low level of close call reporting in Iarnród Éireann.
- The SAG noted that Mr. Culligan is carrying out a review of the derailment which occurred at Dun Laoghaire on 13th September 2017. It was noted that the primary cause appears to be human error. It was also noted that another incident had occurred in Portlaoise. The SAG has requested management to advise on the competency of operating staff on the ground.

4674.6 **Derailment in Dun Laoghaire on 13th September 2017**

The Interim Report of the investigation into the derailment at Dun Laoghaire on 13th September 2017 previously circulated was taken as read and noted.

4674.7 Mr. Culligan circulated a presentation on this incident and advised the board of the following matters:

- What happened.
- Immediate cause.
- On site response to the derailment.
- Response away from the site of the derailment.
- Recommendations of the safety investigation interim report.
- Recommendations relating to the operational and customer response.

4674.8 In the ensuing discussion the following matters were referred to:

- Fundamental error on the part of the operator.
- The issue of assessment of competency is to be addressed in the safety investigation into the incident.
- Whether the driver should have been given the authority to de-train passengers.
- The lack of sufficient announcements led to passengers becoming frustrated which in turn lead to the uncontrolled evacuation of the train.
- Role of emergency services in such a scenario.
It was noted that a CIE Board Member was a passenger on the train and had a particular concern in this regard.
- Frequency of emergency exercises.
- The Chief Executive stated that the issue would have been handled better had it occurred in the Heuston area.

It was noted that Mr. Culligan's final report would be submitted at the next SAG meeting in addition to the update on the safety investigation. **Mr. Culligan and Mr. Cunningham**

4674.9 **Audit and Risk Review Group (ARRG)**

The Report from the Chairman of the ARRG previously circulated was taken as read and noted.

4674.10 In the absence of the Chairman of the ARRG, Mr. Allen, Mr. McGreevy presented the Report and referred to the following matters:

- Budget for 2018 and the need to challenge the growth assumptions for ancillary revenue.
- All recommendations arising out of the burglary at the Maynooth Booking Office have been implemented. The successful insurance claim was noted. However, consideration should be given as to whether the company is over insured for this type of loss.
- An exercise is to be carried on where risks should be reviewed. While the Executive Group is primarily responsible for risks, Principal Risks should be a standing agenda item for Advisory Group meetings. In addition, if Principal Risks are downgraded or upgraded they should also be reviewed by the relevant Advisory Group so that the board can get comfort from the process. However, clarity must be provided with respect to risks which don't fall naturally into Advisory Groups e.g. financial risks, Human Resources risks, IT risks, etc. **Mr. Franks**
- It was noted that the role of the board is to undertake a regular review to see if it is happy with the profile of the risk register. It is the role of the Advisory Groups to assist in this.
- All outstanding matters arising from the review by Group Internal Audit on the arrangements in structures in place to support the Directors' Compliance Statement are being dealt with.
- Other regular agenda items such as a report from the Chief Procurement Officer and a report from the Head of Group Internal Audit were covered by the ARRG.

4674.11 **Trains Advisory Group (TAG) and Organisation Design Steering Group (ODSG)**

The Chairman of the TAG and the ODSG, Mr. McGreevy, advised that meetings of these groups had been cancelled due to Storm Ophelia and will be rescheduled.

4674.12 **Property Item**

The memorandum previously circulated was taken as read and noted.

4674.13 A decision on the proposed sale of Gortmore No.2 Level Crossing Cottage in Co. Cork was deferred pending further information regarding the valuation of the property.

4674.14 **Parameters and Thresholds Used to Set Risk**

Mr. Ronan Glynn, Safety Technical & Approvals Manager, joined the meeting at this time.

4674.15 The memorandum previously circulated was taken as read and noted.

4674.16 Mr. Glynn advised that the risk register process was discussed at the recent ARRG meeting during which it was agreed that a review of the parameters and thresholds used to set risk should be carried out at this board meeting. He advised that to ensure the evaluation of risk aligns with strategy and risk appetite, the company's risk criteria had been revised in parallel with the revision of the strategic business plan. He outlined the potential consequences of a risk being evaluated using the revised risk criteria. Mr. Franks stated that the memorandum outlines the current position and this can be revised again when the next Five Year Plan is prepared.

4674.17 The Acting Chairman emphasised that appropriate KPIs are key to enabling good safety governance.

Mr. Glynn and Mr. Moloney left the meeting at this time.

4675 **CAPITAL EXPENDITURE**

4675.1 **Capital Expenditure Proposals**

The two memoranda previously circulated were taken as read and noted.

4675.2 **Payroll/HR System – Additional Funding**

Mr. John Kennedy, Programme Lead, Payroll Transformation, joined the meeting at this time.

4675.3 The Acting Chairman queried whether the additional funding being sought for this project was already committed and, therefore whether the retrospective approval of the board was being sought. If this was the case, a process failure had occurred. Mr. Kennedy acknowledged that a proposal should have been brought to the board earlier. The following matters were discussed:

- Level of legal support which brought the cost of the project over the previously approved limit.
- Level of contingency.
- Necessity to have an up to date payroll system due to the benefits which could be derived.
- Level of work from the consultants to date.
- While the final cost of a new system will not be known until after the tender returns have been received next year, it is estimated that it will cost between [REDACTED]
- It is expected that the new system will go live in the summer of 2019.
- Due to the complexity of the payroll system the company has already failed twice (in 2004 and in 2012) to develop a new system. Therefore, external expertise is necessary to put the market specification together.
- A comparison of the external costs will be made with in-house costs when the final proposal is submitted to the board. **Mr. Cronin**

4675.4 Following further discussion the board:

- (a) Gave approval for the additional capital expenditure of [REDACTED] (including non-recoverable VAT) to complete the procurement phase leading to a contract award recommendation for the Payroll/HR System Replacement Project, bringing the total approved funding to [REDACTED], all of which is to come from Iarnrod Eireann's own funds in 2017.
- (b) Requested that how this became a retrospective request for approval be examined for lessons learned. **Mr. Franks**

Mr. Kennedy left the meeting at this time.

4675.5 **City Centre Re Signalling Project (CCRP) Phases 2, 3 and 4– Scope Change**

The board gave its approval for the following:

- (a) To increase the scope of the CCRP Phases 2, 3 and 4 to include the area from North Strand Junction to Glasnevin Junction.
- (b) An additional [REDACTED] in funding to complete the design and construction works.

It was noted that:

- This will increase the CCRP Phases 2, 3 and 4 approved project [REDACTED] and will bring the total overall CCRP cost including Phase 1 [REDACTED].

- The original total estimate for all phases was [REDACTED].
- The NTA will fund the project.

4675.6 Closeout Reports

The two memoranda previously circulated were taken as read and noted.

4675.7

The board gave its approval for the closeout of the following projects:

- (i) OBG03 Fassagh Road Bridge and UBG04 Twin Arch Bridge on the Broadstone/Galway Line.
- (ii) On Track Machines Project.

4676

PROCUREMENT

Mr. Colm Reynolds, Chief Procurement Officer, joined the meeting at this time.

4676.1

Procurement Report

The Procurement Report for Period 10 2017 previously circulated was taken as read and noted.

4676.2

Contracts, Selection and Award Criteria etc

The four memoranda previously circulated were taken as read and noted.

The board gave its approval for the following:

4676.3

Framework Agreement for Civil Engineering and Building works [REDACTED]

The entry into a four year multi-party framework agreement with the following ten companies for civil engineering and building works with estimated tender values [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

It was noted that:

- The framework agreement will operate for a period of three years with an option to extend for a further one year.
- The estimated spend under the framework over the four year period is in excess of [REDACTED].

4676.4

Managed Cleaning Services

The selection criteria as presented to facilitate the commencement of the procurement process for a managed cleaning services contract.

It was noted that:

- The estimated value of the contact is [REDACTED] over a five year period.
- It is proposed to award a three year contract with an option to extend for up to two years.

4676.5

Maintenance of Revenue Equipment

The selection criteria as presented to facilitate the commencement of the procurement process for the revenue equipment maintenance services contract.

It was noted that:

- The estimated value of the contact is [REDACTED] over a five year period.
- It is proposed to award a three year contract with an option to extend for up to two years.
- The funding source for the contract is the RU operational budget.

4676.6

Track Welding Services

To continue with the operation of a framework agreement for track welding services beyond the [REDACTED].

It was noted that:

- The original estimated spend under the framework was ██████████ and thus received Iarnród Éireann board approval in October 2014 for a period of four years. However, due to an increase in activity the total contract value will now ██████████, with a revised total estimated spend of ██████████. Therefore, Iarnród Éireann and CIE Board approval is required to continue the use of the framework agreement.
- The funding source for the work undertaken under the framework agreement is the MAC.

4676.7 Procurement Timetable

The up to date Procurement Timetable for 2017 previously circulated was taken as read and noted.

Mr. Reynolds left the meeting at this time.

4677 ADMINISTRATIVE ITEMS

4677.1 Transactions for Approval, Sealing and Signing

The transactions (4) for approval and sealing at the meeting were approved and sealed.

APPENDIX I

The transactions (4) for approval and signing at the meeting were approved and signed.

APPENDIX II

4677.2 Changes to Corporate Governance Documents

The memorandum previously circulated was taken as read and noted.

4677.3 The board noted the following revised documents which had been approved by the CIE Board:

- Revised Group Internal Audit Charter and
- Revised Board Treasury Policy.

4678 ITEMS FOR NOTING

4678.1 Report to the Minister

The Report to the Minister following the board meeting on 27th August 2017 previously circulated was taken as read and noted.

4678.2 Advisory Group Minutes

The Minutes of the following Advisory Group meetings previously circulated were taken as read and noted:

- (i) Audit and Risk Review Group Minutes 30th May 2017.
- (ii) Safety Advisory Group Minutes 20th July 2017.

4678.3 Rolling Agenda for 2017

The memorandum previously circulated was taken as read and noted.

4679 PRIVATE SESSION

Mr. Cronin, Mr. Culligan, Mr. Cunningham, Mr. Dunne, Mr. Franks and Mr. Meade left the meeting at this time.

4679.1 A discussion took place on the recent collapse of talks with the trade unions at the WRC.

4680 DATE AND LOCATION OF NEXT MEETING

Tuesday 5th December 2017 at 9.30am in Inchicore.

Chairman _____

Date _____

TRANSACTIONS FOR APPROVAL AND SEALING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Company Secretary
Iainród Éireann
25th October 2017

TRANSACTIONS FOR APPROVAL AND SIGNING

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Company Secretary
Iarnród Éireann
25th October 2017