

TfW Board minutes

18 November 2021

10:00 – 16:30

Venue – Llys Cadwyn, Pontypridd and online

Attendees

Scott Waddington (Chair); Alun Bowen; Heather Clash; Vernon Everitt; Sarah Howells; Nicola Kemmery; Alison Noon-Jones; and James Price.

In attendance: Natalie Feeley (items 1-3); Leyton Powell (items 1a - 2c); and Jeremy Morgan. Operational update session (Part B): Lewis Brencher; Karl Gilmore; Lee Jones; Lee Jones (item 4); Richard Marwood; (item 4); Geoff Ogden; David O’Leary; Leyton Powell; Dan Tipper (item 4); Dave Williams; and Lisa Yates.

The Chair welcomed everyone to the meeting.

Part A – Full Board Meeting

1a. Apologies for Absence

None.

1b. Notice of Quorum

A quorum being present, the Chair welcomed everyone to the meeting and declared the meeting open.

1c. Declarations of Interest

None declared.

1d. Minutes & Actions of Previous Meeting

The minutes of the TfW Board meeting 21 October 2021 were approved as a true and accurate record.

The actions log was noted.

1e. Safety Moment

The Board considered the recent Salisbury Tunnel Junction rail accident. Although the accident was uncomplicated in nature, it could have significant implications. A review of lessons to be learnt has been carried out and forms part of the safety update.

1f. Customer moment

TfW could consider using a tourism industry strategy of interacting with the between touch points in areas not controlled by TfW.

2. Safety performance

Leyton Powell joined the meeting.

There were no safety incidents in TfW Group over the last period. The Visible Felt Leadership programme is under development with staff briefings scheduled over the coming weeks. Development of the safeguarding process continues. Support continues to be provided to Pullman Rail to further improve safety performance.

TfW Rail experienced no major safety issues during the last period. There has been a small increase in SPADs which are being investigated by the TfW Rail Ltd Safety sub-committee which will report on the findings to the TfW Health, Safety and Wellbeing Committee. The physical assaults moving annual average remains above the predicted figures.

The Board reviewed initial findings from the Salisbury Tunnel Junction accident and lessons that can be applied to TfW, and immediate action taken to identify any consequences for TfW around seasonal preparedness. A further review will take place when the Rail Accident Investigation Branch has published its final report.

ORR Safety Authorisation inspections were completed in mid-September and feedback has recently been received, with 16 improvement actions identified. A formal meeting with AIW is to be scheduled to review the findings and to understand the potential impacts and risks to TfW. The main theme of the findings were: following the safety management system in compliance to investigations; audit and risk; and competent resources.

Regarding CVL Transformation, a safety assurance plan is in development. IDPs will be involved in the next stages.

Pullman Rail reported several close calls over the last period. Improvement actions have been identified and a continuous improvement strategy is in development.

The Board discussed recent capacity issues on trains. It was noted that social distancing is no longer a legal requirement. The Board noted that everything possible is being done to create maximum capacity on our services and that use of the Capacity Checker is being promoted to enable customers to make more informed journey decisions.

3. Strategic update

3a. CEO report

Whilst there is a significant workload, the senior team continue to focus on long-term strategic goals of integration and modal shift as well as the start of some more significant work reviewing TfW's operating model.

Rail revenue continues to increase allied with a decrease in ticketless travel. It is likely that future budgets will need to reduce, and work is on-going to identify revenue generating activities.

Performance across the network is generally stable but there is some fragility, particularly due to driver and guard availability and in some instances, rolling stock shortages. There are particular issues with relying on non-contractual shifts and there is a need to reach a point of having a stable workforce which is not dependent on overtime or voluntary working.

Cardiff Queen Street works continue, where a different method has been used to try and increase the speed of a station refresh and reduce costs. Teams are being challenged on how to both constantly improve and roll out this approach across other stations.

Preparation for future timetable enhancements continues and DfT's narrative has changed to one where it increasingly recognises its infrastructure responsibilities in Wales, as well as funding necessary works to allow revised timetables to operate. Significant risks remain around Network Rail timescales to implement required changes.

[REDACTED]

Strategic thinking has commenced on TfW's operating model and structure. This work should ensure additional remitted activities are not "bolted on" and that a method of operation is designed to deliver TfW's core purpose, including potential FIT transfers now, rather than when they happen, and to do so as efficiently and effectively as possible.

Discussions have been held with GB Rail where it appears that devolved matters appear have not yet been given significant thought. It was agreed that a paper would be brought to the Board on opportunities potentially available to TfW through the creation of GB Rail including the practical implications on services in Wales [Action James Price] Discussions are also being held with Transport Scotland, TfL and TfW.

[REDACTED]

The strategic review of the TfWRL Grant Agreement continues with the approach and proposals to date supported in principle by the Welsh Government. The Board challenged the need for a heavily detailed Grant Agreement.

3b. Finance and governance

The Board were provided with a summary of key finance and governance areas of focus over the last period:

- closing the funding gap alongside the MA for Rail COVID-19 requesting an additional £53m revenue funding. The capital budget gap is around £20m;
- rolling Stock planning and negotiations;
- CVL Programme re-baselining including impact to ERDF funding;
- KPI reporting including the business plan milestones for 2021/22;
- business Planning and budgeting for 2022/23 supporting the Welsh Government with future years planning relating to the Programme for Government and future years funding challenges;
- completion of the Pullman Rail transition period;
- potential for funding additional projects / activities within the financial year regarding any surplus funding from the Welsh Government;
- additional activities including active travel grants Q2 payment, bus initiatives, PTI, TfW IS (JV) and other key strategic plans for future financial years including FIT / SRN
- reporting and governance including transparency plans, UK SOX introduction and further financial dashboard reporting.

Natalie Feeley left the meeting.

3c. Update on subsidiary boards

The Board were updated on recent subsidiary Board meetings of Pullman Rail Ltd and TfW Rail Ltd. Improving safety performance was a particular priority discussed by the Pullman Board as well as maintenance issues.

The recent Rail Board considered day-to-day operational and performance issues. The Board also considered papers on [REDACTED], implementation of a pay-as-you-go pilot and fleet strategy.

3d. Update on sub-committees

The recent Customer and Communications Committee reviewed performance metrics, service quality, customer experience, accessibility and inclusion, customer relations outcomes, an update on the new online panel, fflecsi, 'Customer First', and Webtis.

November's Major Project Committee noted work on development of the Programme Management Office, preparatory work on Wales Infrastructure Manager of Last Resort, along with updates on several projects. The Committee noted the significant reliance on Network Rail to progress projects. The Committee did not discuss CVL Transformation in light of the current re-baselining exercise and instead has agreed a separate extraordinary meeting scheduled for 9 December to discuss CVL Transformation.

3d. TfW Steering Board

The Chair updated the Board on the recent Steering Board meeting which considered PTI Cymru transfer, Ministerial engagement, CVL, Strategic Road Network transfer, bus services, VAT status, and key performance indicators.

Part B – Operational update session

Lewis Brencher, Karl Gilmore, Lee Jones, Richard Marwood, Geoff Ogden, David O’Leary, Leyton Powell, Dan Tipper, Dave Williams and Lisa Yates joined the meeting.

[REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Karl Gilmore, Lee Jones and Dan Tipper left the meeting.

5. FIT programme

The Board discussed the content of a paper to a paper setting out the latest developments of the Future Integrated Transport programme and the proposed transfer of strategic road network delivery functions from the Welsh Government to TfW. In addition to the paper submitted, the Board were made aware that a recent meeting with the Welsh Government took place to review progress on transferring strategic road network delivery functions. At that meeting the Welsh Government reported that they had met and considered the next steps following a Ministerial discursive.

[REDACTED]

The Board noted the Welsh Government's comments and agreed that the timing of any transfer needs careful consideration and needs to fit with other strategically important priorities. The Board also agreed to discuss the matter at the next Steering Board meeting and to seek further clarity on the likelihood of any transfer of strategic road network delivery functions.

6. Pay-As-You-Go pilot project

Helen Mitchell joined the meeting. The Board discussed a paper and supporting business case for a Pay-As-You-Go pilot project. The project aligns to South East Wales Transport Commission (Burns) report recommendations around offering contactless smartcard payments and integrating ticketing arrangements for rail and bus.

The Board approved to proceed with the Pay-As-You-Go pilot project as a key strategic objective of the Welsh Government as set out in the business case; the spend of £10.46m capital expenditure and £7.66m operational expenditure to complete the pilot; an extension to South East Wales Metro; and to award a contract with Visa Ticketing to deliver key parts of the pilot project. Approval was subject to satisfying TfW Rail Board enquiries on the customer proposition for gate line acceptance at Cardiff Central and Newport stations for customers travelling with cEMV cards during the rail pilot phases.

7. Corporate Strategy

The Board noted progress on developing TfW's five-year corporate strategy.

8. Bus update

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9. Risk register

The latest version of the risk register was noted. Pullman Rail's risk process has been reviewed and it was found that the cost versus benefit of incorporating Pullman's risks in the ARM system was not favourable. The top strategic risks

remain same around use of ERDF funding for CVL Transformation; Welsh Government funding for 2022-23; [REDACTED] and Failure to achieve an effective multi-modal transport service. New emerging risks have identified regarding supply of essential materials and increasing energy prices.

10. TfW Delivery Projects - Live Contract Schedule and Procurement lookahead

The Board noted the live contract schedule and six-month procurement lookahead.

11. People update

The Board were updated on key activities of the People and Organisational Development directorate, noting risks associated with the need for salaries to align with market rates to attract applicants and retain staff for specialist roles. The Board were also updated on Equality, Diversity and Inclusion initiatives, and the strategic approach to early talent and learning and development.

12. Communications report

The last period was more positive than the previous period, with the removal of social distancing legislation reducing the scrutiny levels. Increasing passenger numbers have been supported by increasing 'in-person' proactive engagement activities which have helped to support improving TfW's brand impression. Customers continue to express their concerns on face coverings and capacity on board services, and a 'week of action' on face coverings received a positive response. The delivery of the 'one domain' website and completion of the creative development of the demand recovery campaign were noted as key milestones. The timing of the recovery plan will be discussed with the Welsh Government. The Board noted securing sponsorship of ITV Wales weather. A significant amount of stakeholder and community engagement activity continues.

13. Any other business

Engagement continues with the Global Centre for Rail Excellence (GCRE) team, with opportunities for TfW's involvement under exploration. Subject to minor amends, the Board approved a statement to the GCRE Board in support of its innovation agenda.

The Chair thanked all attendees for their contributions.