



TRAFNIDIAETH CYMRU TRANSPORT FOR WALES

TfW Rail Limited - Board minutes

23 July 2021

0900 – 1300

Location: 3 Llys Cadwyn, Pontypridd and online

Attendees

Members: James Price (Chair); Peter Strachan; Heather Clash; Marie Daly; Jan Chaudhry; and Alexia Course.

In attendance: David O’Leary and Jeremy Morgan. Geoff Ogden, Richard Graham and Mark Brown joined for item 10; Stephanie Raymond joined for item 11; and Owen Davies joined for item 16.

Part A

1. Apologies for Absence

None.

2. Notice of Quorum

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

3. Declarations of interest

None declared.

4. Safety Moment

Investigations are on-going following the discovery of a small fire on a Class 230 unit near Wrexham. The Vivarail team is being supported by TfWRL engineering resource in identifying the root cause and establishing an action plan to prevent recurrence.

5. Customer moment

Following significant disruption to Valleys services on Saturday 26 June caused by faulty signalling equipment, a new review approach has been adopted. The approach includes identifying lessons learnt and best practice, as well as including representation from Transport Focus.

[REDACTED]

6. Minutes & Actions of Previous Meeting

Subject to a minor amendment the minutes from the meeting 25 June 2021 were approved as a true and accurate record.

The Actions Log was noted. A plan for the December 2022 timetable changes has been developed on the basis that CAF is not delayed more than 15 months (action 34). However, the Board agreed to a new action to develop and agree the December 2022 Operational Plan on the basis that CAF are delayed for more than 15 months [Action Alexia Course/Jan Chaudhry].

7. Managing Director’s report

Passenger numbers continue to improve with the rate of growth stabilising. However, this has resulted in social distancing being impossible to deliver. The Board discussed on-going issues around conductors not walking the length of the train to open carriage doors at the mid sections or to check tickets. It was noted that some Train Operating Companies have now mandated this. It was agreed that conductors having more of a presence on trains was vital. Various options for resumption of these duties were discussed with the proviso that conductors would not be forced into carrying out a duty should they feel uncomfortable on an overcrowded train.

Class 769 problems continue but there are encouraging signs that engine cooling issues have been identified and are being solved. A programme to fit a better colling system has been developed and there is a good degree of confidence that it will fix the problem. An action plan has been developed to remedy other issues with the units.

[Redacted text block]

The Board were asked whether everything was being done to ensure that the Class 230 fleet was being readied for service. It was confirmed that the cost of readying the fleet for service was significant [Redacted text block]

[Redacted text block]

Period 3 performance was fair, but there were issues caused by Class 769 availability and reliability. The number of traincrew and other staff receiving notifications to self-isolate is on the increase and there have been severe traincrew shortages particularly around reliance on volunteers to cover the Sunday workload.

The two trains per hour Valley Heads service pattern is in the LTP timetable from September 21 and more positive discussions have been held with driver representatives about the adjustments to diagrams required to achieve the higher mileage timetable, although agreement has not yet been reached. Any relaxation of the regulatory regime for social distancing should assist with this process. Another prerequisite to the enhanced timetable is improved Class 769 availability and reliability.

[Redacted text block]

[REDACTED]

Operational KPIs are generally stable. There is currently an increased focus on customer indicators.

8. Safety Committee update

As Chair of the Safety Committee, Peter Strachan reported that the first meeting took place on 13 July. The Committee's intention is to provide a strategic overview without getting into detail, and to provide some external horizon scanning. The Committee Chair received general assurance from on-going work and reported that the Safety Plan is excellent and dovetails well with Business Plan.

A RACI matrix is in development to determine to see where items sit between TfW Group and TfW Rail.

9. TfW Innovation Services

Geoff Ogden, Richard Graham and Mark Brown joined the meeting to outline services provided by TfW Innovation Services. Around 90 projects have been identified and there is opportunity for TfW Rail to access intellectual property for various purposes including market analysis, station design and network development. There is an open invitation for anyone to have access to the shared area where information is stored.

10. Management Accounts

Stephanie Raymond joined the meeting. The budget for 2021-22 is yet to be approved which is causing some concern over whether vacancies can be filled or not.

Operating subsidy required was £22m which is £4.8m less than budgeted and primarily driven by £2.6m in higher-than-expected passenger revenue. Of the remaining variance of £2.2m, £0.9m constitutes a permanent variance whereas £1.3m is considered temporary. Passenger revenue was £6.2m, some £2.6m favorable to budget as a result of continued easements in COVID-19 restrictions. Net operating costs were £1.5m favorable to budget across all main areas.

It was reported that Schedule 4 claims submitted to Network Rail were not considered in its June review panel and an outcome is awaited.

The Board inquired as to whether TfW Rail was still a going concern and were informed that TfW received a 'letter of comfort' stating it would receive the right level of funding to continue to deliver services subject to budget availability. This letter had been used by TfW's external auditors as part of their going concern tests. The Board were also reminded that there are regulatory and legislative requirements to provide rail services.

11. Sunday driver cover

The Board discussed potential options to resolve issues around drivers showing less propensity to Sunday working. The Board agreed that the issue needs urgent attention, and it was agreed to pursue the short and long-term fixes set out in the accompanying paper which will be consolidated into a crisis action plan to be overseen by a project team. The Board also agreed to in-advance cancellations of Sunday services where necessary to provide customers with an early warning of changes.

12. Face coverings

The Board agreed not to use the TfW Rail Conditions of Travel to make on board face coverings mandatory on TfW services in England, subject to a strong and clear communications narrative, due to the number of operational risk involved and the inability to enforce.

13. Chester

The Board were updated on progress with developing a long-term strategy for developing the North training centre based around a move to Wrexham in readiness for 2025. It was confirmed that Chester will be used as an interim solution.

14. Health, Safety, Security and Environment Plan 2021-2022

The Annual Health, Safety, Security and Environment Plan 2021-2022 was approved.

15. Capital Spend avoidance opportunities

The Board considered the summary of a desktop exercise to assess the Rail Operations capital budget submission for cost avoidance opportunities in the light of a change in the funding mechanism for capital schemes. Although opportunities had been identified, it was agreed to identify deferred capex spend for 2021-22 and seek the remaining funds required to deliver TfW's remit, prioritising schemes that involve moving passengers or providing a genuine improvement in customer services which drive more people to use services, based on identifying scenarios [**Action Heather Clash**].

16. Commercial update

Revenue is back up to 54.1% of the pre-COVID average and ticketed journeys up to 47.5%, representing the strongest periodic result achieved since the start of the COVID pandemic. The Board were further updated on network growth and a summary of strategic issues and opportunities arising.

17. Framework Document and Code of Conduct

The Board approved minor changes to the TfW Rail Framework Document and a revised Code of Conduct for Board members which will be circulated for signing [**Action Jeremy Morgan**].

18. Any other business

It was agreed to circulate the Marketing Campaign [**Action David O'Leary**].

The Board agreed to lock the meeting papers seven days prior to the meeting and late submissions would only be allowed subject to the Chair's agreement.

The Chair thanked everyone for their attendance and participation.