

TfW Rail Limited - Board minutes

15 September 2021

1300 - 1700

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: Jeremy Morgan; Stephanie Raymond (item 8); Dan Tipper and Ryan Williams (item 9); James Kennedy (item 10); Andy Slater and Owen Clutterbuck (items 10 and 11); and Andrew Gainsbury (item 11).

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

James Price and Alexia Course are members of the Pullman Rail Ltd Board.

4. Safety Moment

The Board was informed that an accident occurred on 29 August involving a cleaner at the Machynlleth depot who fell from a train approximately two metres onto concrete floor. The cleaner suffered bruising and was able to commence working on their next shift. An investigation took place which identified that the cleaner leaned out of the train to plug in vacuum cleaner. The Board discussed the hierarchy of control measures in place, and the changes that were now being made to reduce the risk of a similar accident.

5. Customer moment

A stations conference was held on 20 August with representation from all Stations Directorate (Station Management, Revenue Protection, Customer Integration) and guest presenters for specific subjects. Topics covered included customer experience feedback – general and station specific, KPI management, why we have created a Stations directorate, 'Customer First' programme, Revenue Protection, future activity and priorities, Community Rail, Future Generations, Customer Integration and safety updates.

6. Minutes & Actions of Previous Meeting

Subject to minor amendments, the minutes from the meeting 2021 were approved as a true and accurate record.

The Actions Log was noted.

7. Managing Director's report

The previous period was relatively stable period with recovery of passenger volumes continuing to increase as Covid restrictions are lifted. The period concluded with revenue at 68% of the pre-Covid average, whilst journeys were at 57%. Ticketless travel was at 17%, which is still higher than desired but with conductors now going through saloons to check tickets, levels should reduce.

There has been a welcome increase in Class 769 fleet availability through the campaign of modification to the engine cooling fans.

The Board welcomed a set of positive operational safety indicators. The number of non-workforce accidents has reduced and there were no Cat-A SPADs during the period. The SPAD rate is the lowest for several years and better than the current industry average for 2021/22. However, the Board were assured that there is no room for complacency and the recent Safety Executive meeting focussed on the leading indicators requiring attention. There continue to be issues with youths on the Rhymney Valley line and a multi-agency approach to tackling anti-social behaviour is underway.

Following completion of Pullman acquisition, work has started to ensure outcomes set out in the business case can be delivered, whilst allowing Pullman to continue to bogie and wheelset overhaul services to its customers.

The Board were updated on Adam Street Bridge repairs and were informed that work has not yet started and that Amey Infrastructure Wales has revised its target completion date from February to March 2022. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board were advised that due to overhanging vegetation on CVL, three units were damaged. Amey Infrastructure Wales are reporting into the Joint Performance Improvement Centre on the focus in this area and some substantial clearance has taken place. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board discussed operational KPIs for Rail Period 6. In general, performance is stable and on par with the previous three periods.

8. Management Accounts

Stephanie Raymond joined the meeting. The Board were presented with a revised budget for 2021-22. Compared to the initial budget for 2021-22 submitted in May 2021, the revenue subsidy requirement is set to reduce by £38.5m, driven by a revision of passenger revenue assumptions and a review of the cost base to meet operational commitments. Operating expenditure is set to increase by £4.2m against initial budget, largely related to rolling stock transformation (CAF Provisional Acceptance, legacy fleet dilapidations, 230s revised maintenance plan) and revised performance targets, offset by a reduction in staff costs following an in-depth review.

The Board noted that the on-going strategic review of the OLR Grant Agreement may impact some of the cost -lines. The Board discussed the need to develop options for increasing revenue through a targeted approach and for the TfW Board to empower the Commercial team to drive this and turn commercial intent to operational reality. The Board noted that significant decrease in staff costs largely due to an in-depth review carried out to assess business requirements of new roles, resulting in a budget reduction due to 96 roles being pushed back, seven removed and 3.6 transferred.

The Board were also informed that the capital subsidy requirement is set to reduce by £38.3m compared to the initial budget for 2021-22 submitted in May 2021. All projects have been re-assessed to determine opportunities for spend deferral and to re-align spend where required.

The Finance Review for Rail Period 5 was noted. Operating subsidy required was £21.1 m [REDACTED]
[REDACTED] Passenger revenue was £7.8 m [REDACTED]
[REDACTED] Net operating costs were £28.8m [REDACTED]
[REDACTED] Capex subsidy required was £2.9m,
[REDACTED]
[REDACTED]

No progress has been made on Schedule 4 claims against Network Rail and this will be escalated to the next level one meeting. A letter to Network Rail will be drafted with an invitation to a meeting to discuss engagement issues and the significant impact on delivery of TfW and TfW Rail plans **[Action Jeremy Morgan / Lewis Brencher]**.

Stephanie Raymond left the meeting.

9. Canton depot and Pullman rail scope

Dan Tipper and Ryan Williams joined the meeting. Upon completion of the purchase of Pullmans Rail Ltd, detailed surveys of areas previously unavailable have been completed to validate upgrade proposals which have identified additional stabilisation and construction sequencing requirements.

The Board discussed potential savings generated by the purchase of Pullmans and reinvestment of capital works on Pullman’s Depot, as well as the options for location of the wheel lathe and bogie drop.

The Board agreed to explore the merits of replacing the wheel lathe in its current location and installation of the bogie drop to the Swansea end of the wheel lathe building. The proposed options for positioning of the wheel lathe and bogie drop have been reviewed with Stadler, TfWRL BAU and Pullman. The Board also agreed to investigate the merits of reusing the life extended Canton wheel lathe by relocating it in the north of the network. This exploratory work and the business case will be overseen within the Transformation governance process.

The paper noted potential capex savings for descoped capital works on Canton Depot and costs for minimum Schedule 18 upgrades to Pullmans depot. The Board requested that the savings align with those stated in the Business Case **[Action Heather Clash and Alexia Course]**.

The importance of delivering two particular aspects of the Pullman business case critical to the transformation programme as a whole were emphasised: (1) adequate access to Pullman Road 7 for the ongoing maintenance of Stadler Flirt rolling stock, once introduced; and (2) the provision of 880m of realistic stabling for BAU on the Pullman site.

Dan Tipper and Ryan Williams left the meeting.

[Redacted text block]

[Redacted text block]

- [Redacted list item]

[Redacted text block]

- [Redacted list item]

- [Redacted list item]

[Redacted text block]

- [Redacted list item]

[Redacted text block]

- [Redacted list item]

[Redacted text block]

- [Redacted list item]

[Redacted text block]

- [Redacted list item]

[Redacted text block]



12. PTL methodology

Colin Lea joined the meeting. The Board were presented with proposed changes to the Passenger Time Lost (PTL) performance measure – ‘PTL v2’ and a new pre-cancellations performance measure.

The Board were advised that PTL v2 is a more meaningful, easy to understand metric which can be used to pro-actively manage on the day performance and should drive right behaviours with the main changes based around frequency of data, use of all stations which are categorised by footfall, removing an distinction between TfW and Network Rail caused delays and use of a simpler to understand percentage score.

The Board also discussed and approved measures on pre-cancellations and percentage of base timetable run.

Colin Lea left the meeting.

The Chair thanked all the members and participants for their attendance.