

**TfW Rail Limited - Board minutes**

**31 March 2021**

**1300 – 1700**

**Location: online**

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**Attendees**

James Price (JP) (Chair); Peter Strachan (PS); Heather Clash (HC); Marie Daly (MD); Jan Chaudhry (JC); Alexia Course (AC).

In attendance: Jeremy Morgan (Board Secretary); Gregg Evans (GE) (Part B item 1); Andy Quinton (AQ) (Part B item 5) and Owen Davies (Part B item 8).

**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. Conflicts of Interest**

None declared.

**4. Customer Moment**

The Board were updated on collaborative cross-industry site visits held on 22 March to understand requirements for validating locations for stabling operation and to identify any concerns. Lessons were learnt and are being applied to the project relating to stakeholder management, onboard cleaning facilities and security.

**5. Customer moment**

The Board viewed two videos providing an update on the use of body-worn cameras and the benefits they bring to staff and customers.

**6. Minutes & Actions of Previous Meeting**

The minutes of the TfW Rail Limited Board Meeting 3 March 2021 were approved as a true and accurate record.

The Board reviewed updates to the actions from the previous meeting and requested more information on action 8 of the log, to identify whether warranty arrangements were to be factored into the proposed fleet maintenance delivery model deal **[Action AC]**.

## **7. Decisions taken outside committee**

In light of TfW's imminent acquisition of PTI Cymru, it was agreed that Colin Lea would resign as a PTI Cymru Director. The Board approved a business case for the for the development of a fuelling point at Rhymney to reduce dependency on the Canton fuelling site and to allow the class 769 units to be refuelled overnight. The project will result in an annual opex increase of £345,000 until at least 2023-24 when the Class 769s are scheduled to be removed from service, plus a capital contribution of £292,000 in 2021-22.

### **Part B**

#### **1. Short formations**

GE joined the meeting to provide an update on short formations. Overall compliance against diagram formation is generally very high, averaging over 90%. However, continuous improvement is required on some parts of the network, particularly the Marches Line and managing the 175 fleet. The 175 fleet utilisation rate is 89%, against 70% compared to rest of fleet, resulting in reduced fleet resilience. Reducing the utilisation rate would allow some additional flexibility in the system. The focus is to ensure the formation is right at the depot, which is better for both the customer and performance, reducing the need for swapping units. Steps have therefore been taken to improve communication between control and fleet and adding a level of resilience to the class 175 diagrams which, if required, provides the control team options to set swap.

The Board also discussed short formation issues on the Core Valley Lines and the Birmingham to Manchester route. Class 143s can currently be used relieve pressure where necessary on the Core Valley Lines but these are only available until the end of May 2021, following which contingency will be provided by the 150s and 769s coming into service. Internal 12-month seconded roles have been created to better capture short formation data and analyse fleet performance and decisions made by the control team.

#### **2. Board report**

The Board noted the Managing Director's report for activities in rail period 12. Work is underway to further improve safety practices, procedures, training, railway awareness and risk assessments for cleaning activities. A management reporting dashboard is in development. The Board agreed that an audit should be carried out in the next quarter **[Action AC]**.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Following discovery in quarter one of 2021-22, internal audit will be rolled out to TfW Rail Ltd in quarter two and performed at a TfW Group level to fill the gap whereby audit was previously carried out by the Keolis under the previous grant agreement arrangements.

The Board agreed that pre-planned cancellations should be monitored because of the impact on the customer.

[REDACTED]

A significant amount of time is being put into improving the quality and reporting of data. The Board agreed that this should be prioritised and that the Board should be informed of any slippages.

The Board discussed the use of the capacity checker and issues around using live and historical data. There may be a need to overwrite the data where possible if based on previous week's figures and live data is available. The Board agreed to delegate a further discussion to the TfW Network Development Committee **[Action AC]**.

### **3. Business planning process**

The Board were presented with an update on the 2021-22 Business Plan process which will be supplemented by a five and 20 -year outlook. The plan will take into account the new Wales Transport Strategy, TfW's remit letter and TfW's aspirations of being multi-modal. The Board endorsed the proposed approach.

### **4. Safety report**

The Board were briefed on the Safety Executive Report for rail period 2021 and noted its content. Although there was a low level of SPADs (one in the period), the Board agreed with the Executive's assertion that more narrative is required around why they occur and how risks are managed and reported.

The Board noted that Safety Critical Medicals were behind schedule and requested that the integrity of random drug and alcohol testing process is reviewed **[Action MD]**.

Regarding the Canton depot, the Board sought assurance that that three recent operating incidents were one-off occurrences and not systemic. The Board were informed that route causes were being investigated, with an independent review to take place in the very near future. The Board supported this approach.

### **5. Management Accounts**

AQ joined the meeting. The Board noted the content of the Finance Review. AQ was thanked for the work in aligning the work of TfW and TfW Rail Ltd where there is crossover in projects and activity to ensure that finance and budgets are properly understood.

The Board confirmed that payments for the MkIVs and Class 153s to Angel and Eversholt had been approved and funds had been released. Regarding capex, there had been some slippage in spend and although the Board were assured that this as not a concern, it would welcome guidance on any consequences. It was confirmed that the process for clear reporting against budgets is in development and would be ready by the end of May / beginning of June.

The Board requested reporting by exception where there may be significant consequences and more visibility on, for example, the cost base on lines of route and which activities are more profitable and likely to generate more revenue. The Board agreed that the type and frequency of financial information presented to it to inform decisions should be discussed between JC, the Finance team, factoring in previous work done by TfW **[Action JC]**.

The Board discussed the difficulties around revenue forecasting for 2021-22. The Board were informed that a passenger revenue forecast for the year had been made on based on DfT scenarios which was overlaid by assumptions based on local knowledge of the network. It was expected that in 2021-22, passenger revenue would continue to fall significantly short of pre-COVID levels.

[Redacted]

**6. Risk register**

All known risks are contained in the board report with their owners and have been reviewed post 7 February. A process has commenced looking at how to align the risk management process with TfW’s approach.

**7. Return to normality and 2021 timetable review**

The Board discussed services getting back to a new normal. There are likely to be three stages (1) bounce-back over the next nine months, which is likely to involve managing risks around ensuring sufficient capacity in the context of social distancing requirements; (2) getting people back on the network and building revenue over the medium term; and (3) increasing TfW’s ‘market’ share in the long term and increasing the number of people using public transport.

[Redacted]

The Board also discussed the need for ambitious ticketing plans and for nothing to be off the table to encourage people back to using rail services as long as it aligns with Welsh Government policy. The Board agreed the need to have a longer and more detailed look at the immediate issues in getting people back to using rail services in a couple of weeks [Action JC/MD].

The Board noted practical issues requiring prioritisation, particularly the additional fuelling provision in Rhymney. The Board were informed that delays had been encountered due to site access issues and regulatory requirements requiring ORR sign-off, but physical works are in progress and currently on-time. The Board stressed the need for lessons to be learnt around site access and regulatory approvals.

[Redacted]

[Redacted]

**9. Business case policy**

A business case policy has been developed in response to changes in delegated authorities, budgeting arrangements and role changes. The Board gave delegated authority to HC to approve the business case policy subject to further discussions with MD to ensure it aligns with the approved delegations matrix **[Action HC]**.

**10. Wrexham Bidston**

The Board discussed progress on increasing the service provision on Wrexham-Bidston line from the current one train per hour, to two trains per hour. Clarification is required from Network Rail on track access **[Action AC]**.

[REDACTED]

**12. AOB**

MD thanked the Board for its support during her role as TfW Rail interim Managing Director. The Board thanked MD for being willing to step up in difficult circumstances.