



# TRAFNIDIAETH CYMRU TRANSPORT FOR WALES

## TfW Rail Limited - Board minutes

27 May 2021

1400 – 1800

Location: online

---

### Attendees

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

In attendance: Jeremy Morgan (Board Secretary), Stephanie Raymond for items 8 and 9.

### 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

The Board viewed a video raising awareness of mental health and wellbeing. The Board agreed the need to identify additional areas to equip people who are dealing with customers with mental health and wellbeing challenges at stations and on trains **[Action MD]**.

#### 5. Customer moment

Ticketless Travel continues to be a concern, although rail period 1 saw a drop to 31.1% indicating it may have peaked. Not carrying out on-train ticket checks continues to compound efforts to control fare evasion despite Revenue Protection teams' best efforts. The Board asked about the possibility of tracking gate-line coverage. It was agreed that this would be included in the reporting for the next period report and to look at determine whether levels are appropriate **[Action MD]**. The Board agreed to the need for a post-covid revenue protection strategy to consider the whole area of checking passenger tickets, and that it should be considered in the context of an evolving integrated transport system.

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

The minutes, including items for redaction, from the meeting 30 April 2021 were approved as a true and accurate record.

The Actions Log was noted with several items to be covered during the meeting.

## 7. Managing Director's report

The Board discussed current issues around maintaining a balance between increasing passenger numbers and the current social distancing requirements, along with the tone of messaging and reasonable mitigations that could be made around announcements and walking through trains to check windows are open. The Board emphasised the need for consistent messaging.

Work continues to increase the reliability of the Class 769 units. It was reported that for the first time, six units are out on the network today. It was stressed that with Pacers out of service from the end of the week, 769 reliability is particularly important. The Board requested a review of the robustness of the acceptance processes and criteria for cascaded fleet based on lessons from the Class 769s and Class 230s **[Action AC]**. The Board also inquired about the reliability, resilience of plans and service history of the Class 67 fleet **[Action JC to review]**.

The Board were also updated on:

- progress with the Rhymney fuel point;
- train crew training for newly cascaded fleet;
- progress on a plan for two trains per hour to the Heads of the Valleys from September 2021; and
- development of options for method of door operation for CVL, for union discussion.

The Board reviewed performance against KPIs. Performance is generally showing an overall positive trend across safety, performance, and customer satisfaction. It was agreed that the report should include Amey infrastructure performance **[Action MD]**. The Board also agreed that each KPI would be reviewed with the KPI owner at future meetings with an emphasis on understanding the definition and target setting with the risks and opportunities of achieving/failing to achieve targets. It was agreed that safety KPIs will be reviewed at Safety Committee meetings.

## 8. Safety report

All the safety indicators for rail period 1 were within predictions, leading to a continuation of improving moving annual averages in several areas. There were no specified injuries to the workforce in the period and no Category A SPADs.

All required safety investigations were completed within the period with the timeliness of investigations by responsible managers continuing to improve.

It was noted that a jointly funded campaign with Network Rail during July is designed to support the public staying safe at level crossings and is being managed under the Joint Safety Improvement Plan (JSIP).

## 9. Management Accounts

Stephanie Raymond joined the meeting. Required operating subsidy for rail period 1 was £26.1m, which is £3.2m less than expected and primarily driven by higher-than-expected passenger revenue, which was £1.8m favourable to forecast.

[REDACTED]

**10. Budget 21-22**

The Board were presented with the draft budget for 2021-22, which has been updated and amended from a forecast in March 2021 upon transition to TfW Rail and is subject to further review. The budget presented to the Board fulfils a commitment to present a zero-based budget to the Board in May 2021 and will be reported against from rail period 2. The overall funding requirement for 2021-22 is £440 million including both operating and capital subsidy. The Board were informed that the budget was based on several high-level assumptions an increase in passenger revenue based on internal modelling rather than DfT modelling. [REDACTED]

[REDACTED]

Capital projects have been reviewed in depth with the major changes since the March 2021 forecast relating to the transfer of the Taffs Well control centre to TfW Group and the Canton depot costs being recognised at TfW Rail level. The Board noted the £4m uplift in marketing costs from the March 2021 forecast and were informed that this is related to a network growth plan which is currently under development. It was agreed that the plan should be considered at the next meeting and that David O’Leary would be a regular attendee at future Board meetings to present specific updates on outcomes, growth plan progress, recovery plans and strategic issues relating to revenue [Action JM]. The Board asked whether more detail could be provided on ancillary items outside farebox, and it was agreed that this would be provided [Action SR].

The Board also inquired whether any provision had been given to extensions or different profiling for train leases in this the current financial year. It was confirmed that this was not required for the current financial year but will be for 2022-23.

The Board noted the budget which will be approved at future meeting after further review.

**11. Business plan**

The Board approved the content of the 2021-22 Business Plan which will be further reviewed by TfW Group. It was confirmed that the plan is for internal purposes and in light of the upcoming strategic review, some of the values may need amending and would be removed until confirmed. It was also confirmed that the strategic review will include assessment of future business plan content requirements.

**Part B**

[REDACTED]

[REDACTED]

**13. Operational Training Centre Business Case: Chester**

The Board considered an updated Business Case for an operational training centre in the northern area of the network, with the preferred option to enter a lease at the Steam Mill, Chester. Seven other locations in North Wales and the Borders were considered but none of the stations at these other locations considered had sufficient space or space in a suitable condition for a Training Centre, including the option for using portacabins on leased land. A detailed options appraisal had identified Chester as the most suitable location.

However, Chester station was identified as an unsuitable location resulting in the identification of several other potential locations in Chester. At a cost of £1.1 million over five years, the Steam Mill was identified as the preferred option due to its proximity to the station, the quality and flexibility of the accommodation available and the size of required facility.

The Board rejected the preferred option on value-for-money grounds. It agreed to continue with the current arrangements with a view to identifying a more cost-effective solution to align with a strategic training review. The Board agreed to explore the merits of employing the services of a property agent to identify potential cost-effective solutions to locate the training centre.

It was agreed to identify a suitable temporary location for the simulator, such as a portacabin, with the potential to moving it once the strategic training review is complete, subject to cost. The Board agreed that if the chosen options were not deliverable, it should not compromise training programme delivery.

**14. Operational Training Centre Business Case: Cardiff**

The Board approved a Business Case to use existing office space at St Patrick’s House, Cardiff for an Operational Training Centre at a cost of £400,000 over five years. It was agreed to confirm the cost of moving the facility when the St Patricks House lease expires in 2024 [Action MD].

**15. Organisational design and structure**

The Board discussed and approved the proposed organisational structure, which will be further reviewed on completion of budget review and headcount and in conjunction with a review on consultant spend across the TfW group.

[REDACTED]

**17. Delegated authority**

The Board approved the revised delegated authority matrix. It was agreed to clarify several items outside the meeting.

**18. Any other business**

Feedback has been received regarding trains not stopping at short at short platforms. It was agreed to review this [Action JC].