



TfW Board minutes

23 June 2022

09:30 – 17:00

Venue – Llys Cadwyn and online

Attendees

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

In attendance: Jeremy Morgan; Leyton Powell (item 2); Natalie Feely (items 1 to 3); Lewis Brencher, Karl Gilmore, Geoff Ogden and Dan Tipper (Operational update session (Part B)).

The Chair welcomed everyone to the meeting.

Part A – Full Board Meeting

The Chair welcomed everyone to the 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 19 May 2022 were approved as a true and accurate record. The actions log was noted.

1e. Safety Moment

It was noted that some rail crossings require a phone call to lift barrier. However, this was not possible during the strike action and workers had carry out their own risk assessment for crossing the track to carry out important works.

1f. Customer moment

Doing something nice creates good will. A broadband company planned to dig across fields to lay cable which would have interrupted a wedding celebration. The company was asked to not dig on the day of the wedding, and the

family of the wedding party were delighted when this was agreed. This act of good will was well received on social media.

Recent experiences flying out of the UK were accompanied by poor customer service experiences with inadequate communication and obvious staffing issues. It was noted that blaming other people in heat of moment does not rectify the situation.

2. Safety performance

Leyton Powell joined the meeting.

A security penetration test has been conducted at the Abercwmboi compound following a malicious fire. AIW is now working with the Resilience Team to review current measures including security.

A Business Continuity report has been published with no immediate actions outstanding. A 12-month plan for delivering outstanding actions is in progress.

Meetings have been held with AmeyGroup Safety team to explore further opportunities for joint working and continuous improvement.

At Group level, there was one minor accident reported in the period. There were 22 close calls, most relating to CVL transformation. A health and well-being audit is planned with a view to informing an updated strategy.

There was good overall performance across all Rail safety KPIs including the combined Fatality Weighted Index being lower than predicted. There were no recorded SPADS during the period [REDACTED]

[REDACTED]. There were 22 non-workforce injuries, 14 of which were slips, trips or falls or PTI. Workforce Physical Assaults were above predicted figures. The Board were informed that use of body worn cameras remains low at around 10%. It was confirmed that data is only downloaded if an incident occurs, and the cameras can be switched off and turned on when required. It was agreed to discuss with the unions **[ACTION James Price]**.

The Board discussed the recent Craven Arms incident. Although the incident had the potential for serious injury or fatality, all passengers and staff were safely evacuated. It was confirmed that the accident was the result of a stolen digger being left on the tracks. The Board noted that BTP have primacy for the investigation and evidence is being gathered by all stakeholders within the Rail team to be made available when requested to Network Rail and RAIB. The Rail team is taking a supporting role in the investigations, but an internal review is underway to learn lessons from the incident response.

Staff accident rate and injuries across Infrastructure Management and Transformation remain very low with no significant events reported during May. There was also improved performance at Pullman Rail.

Leyton Powell left the meeting.

3. Strategic update

3a. CEO report

The last month saw continuation of delivering plans across the TfW business moving to the first stage of implementation of the new operating model and structures. The focus continues to be on ensuring the best and most integrated plans for delivering the transport network that Wales needs are implemented and that are necessary to deliver significant modal shift at the same time as implementing those plans through project and service delivery.

Concern remains around daily rail performance Rail delivery, although lately, there has been an overall improvement. Concerns are centred around cancellations and pre-cancellations, short forming, staff availability, staff checking tickets in saloons, and passenger time lost (PTL). The Board were informed that the PTL metric is under review to determine where improvements to service are needed through improved management data and stripping out events that skew the figures and hence disguise underlying trends.

The latest gate line data shows average footfall continuing to grow and is now above 80% of pre-covid figures with revenue at around 93% of pre-covid levels. It was noted that usage remains down on business travel but up on leisure. The Board gave consideration to the concept of setting a “no seat unfilled” target which could drive innovative approaches to attracting customers. However, concerns remain around the ability to meet demand on the highest yielding routes which will impact revenue growth. It was noted that the current strikes will undoubtedly negatively affect passenger and revenue growth. The Board discussed the need to provide additional capacity for events and increase train time flexibility. A team has been tasked with investigating the merits of piloting a separate coach service for the busiest days and routes.

[REDACTED]

[REDACTED]

CVL design output continues on its improved trend and is broadly stable. This means that the revised programme is still deliverable but remains fragile. All efforts continue to both stabilise and where possible improve the position.

Over the last month there has been generally good progress on CVL build with outputs showing good productivity. Work continues with the Welsh Government to agree the revised programme and costs. However, the programme is at risk because of not having approvals and the consequent ability to incur costs which is required in the next couple of weeks.

[REDACTED]

The Board discussed active travel and agreed it would be beneficial to have periodic expert challenge at Board meetings.

A discussion took place on the need to ensure that Board sub-committees are aligned with on-going work to implement the Target Operating Model [Action David O’Leary and Jeremy Morgan].

3b. Finance and governance

There has been significant activity around the closure of financial year 2021-22, but also preparing for 2022-23 in regard to business planning and milestone reporting. TfW and TfW Innovation Services accounts have been closed, whilst TfW Rail accounts are yet to be finalised with discussions on-going with the external auditors regarding the treatment of pension costs.

[REDACTED]

The Board discussed revenue protection and were informed that gate line coverage has improved along with on-train scans.

The Board noted May's management accounts and financial report.

Natalie Feeley left the meeting.

5. Sub-committees

Audit and Risk Committee

The Chair of the Audit and Risk Committee tabled a paper recommending to the Board that in its view, that as far as the TfW financial statements are concerned:

- James Price and Heather Clash can sign the representation letter to KPMG;
- James Price can sign the financial statements on behalf of the Board.

The Board accepted the recommendation and confirmed its approval.

The Audit and Risk Committee also recommended to the relevant Boards of TfW's subsidiary companies that their financial statements can be approved by the directors of:

- TfW Rail Limited
- TfW Innovation Services Limited;
- Wales Infostructure Manager of Last Resort Limited
- PTI Cymru Holdings Limited.

The Board accepted the recommendation and confirmed its approval.

The Board accepted a recommendation from the Audit and Risk Committee that, based on its work and oversight, the Board can approve the Annual Report for publication.

The Board also accepted a recommendation that the Board approves TfW's Audit and Assurance Policy for publication at the same time as the Annual Report.

Customer Experience and Communications

The Chair of Customer Experience and Communications Committee updated the Board on the Committee's recent meeting. The meeting considered KPIs, including the need to improve complaint response times, and the One Domain website including Welsh language provision.

The Board requested an update on Welsh language issues at the next meeting [**Action Jeremy Morgan**].

6. Subsidiary Boards

The last TfW Rail Board meeting focussed on service delivery, MKIV reliability, performance metrics, PTL, lease extensions on 175s and 769s [REDACTED].

7. Steering Board

The Chair updated the Board on recent Steering Board meetings which centred on strategic partnership negotiations with Stadler, the rebased CVL plan and active travel.

8. Confidential item

[Redacted text block]

Part B – Operational update session

Karl Gilmore, Geoff Ogden, and David O’Leary joined the meeting.

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[REDACTED]

Alexia Course, James Kennedy and Owen Clutterbuck left the meeting.

10. Carbon footprint report

Hayley Warrens and Natalie Rees joined the meeting. The Board were reminded that in May 2021, the Welsh Government published the Welsh Public Sector Net Zero Reporting Guide, which requires an assessment of emissions from a series of additional activities not assessed in previous reports. The guidance has been produced to support the Welsh public sector deliver on its collective 2030 net zero target. The 2020/21 report now forms a new baseline to assess progress towards TfW's decarbonisation targets.

The Board were informed that TfW's total 2021/22 corporate emissions has been estimated at 304,846 tCO₂e, which is an overall increase of 26% compared to 2020/21. The increase is attributed to an increase in service provision following the lifting of COVID-19 restrictions, in addition to increased spend due to the CVL transformation programme.

The Board noted that context around the figures and the increase is provided in the 2021/22 Annual Report.

Hayley Warrens left the meeting.

11. Future Generations

A review of public bodies subject to the Wellbeing of Future Generations Act has been announced with the likely criteria indicating that TfW will added to the duty under the Wellbeing of Future Generations Act and will also be subject to the duty under the currently draft, Social Partnerships and Public Procurement Bill.

The Board were informed that whilst all business areas will be affected by the change, the requirement placed on TfW to embed the Wellbeing of Future Generations Act under Welsh Ministers Duties from the inception of TfW has placed it in a good position in regard to any potential future requirements. Should the duty be placed on TfW, the expectation is that TfW will be required to produce a Wellbeing Plan based on a Wellbeing Assessment carried out in line with the timetable for other public bodies; report to the Office of the Future Generation Commission in line with other public bodies; and sit on the Public Service Boards in the 18 Public Service Board areas.

The Board were also informed of the benefits of being placed under the duty being support from the Welsh Government and Office of the Future Generation Commissioner; and recognition of TfW's contribution to the delivery of the Act.

Natalie Rees left the meeting.

12. Active Travel update

Matthew Gilbert joined the meeting to provide an update on Active Travel. Summarised funding from 21-22 – underspend. The Board were updated on delivery of the Active Travel Fund Programme 2021/22 and the budget for the 2022/23 programme.

The Board were also notified of a cross party group report on the Active Travel Act due for publication next week and the several implications for TfW; and development of the Active Travel Monitoring Framework.

The Board were keen to ensure Active Travel Fund Programme spend is consistent throughout the year to avoid any underspend at year end.

The Board noted that spend per head of population on Active Travel measures Wales is significantly higher than in England.

Matthew Gilbert left the meeting.

11. CVL update

The Board were updated on progress with agreeing with the Welsh Government the budget for CVL Transformation. The Board were updated on design deliverable status which made a good recovery from April to May and construction progress, where there some risks but mitigations are in place.

12. Infrastructure projects six-month look-ahead

The Board noted the infrastructure projects six-month look-ahead profile. Dan Tipper left the meeting.

13. Strategic Risk Register

The Board noted the Strategic Risk Register. It was noted that risk ratings have been refreshed and that the steal cost risk has been made into an issue. Risk appetite statements will be shared next month.

Leyton Powell and Karl Gilmore left the meeting.

15. Communications update

The previous period was more challenging as a result of the RMT and Network Rail industrial action, Craven Arms incident and scrutiny around delivery of major events. Detailed discussions took place with the Welsh Government around the positioning of strike action in terms of detailed communications narratives, with Ministers expressing significant interest. Of critical important in this period is the provision of concise, clear and consistent communication with our customers, due to the complex nature of the disruption.

Wider plans in terms of brand building and development, community engagement and behaviour change continue, but the appetite for public announcements around positive development has been muted as a result of the broader industry issues.

The Chair thanked everyone for their attendance and contributions.