



Transport for Wales Board Meeting – Minutes

09:30 – 16:00; 16 January 2019

South Gate House, Cardiff

Present:

Scott Waddington (NED & Chair) (SW)

James Price (CEO) (JP)

Sarah Howells (NED) (SH)

Nikki Kemmery (NED) (NK)

Heather Clash (TfW) (HC)

Alison Noon-Jones (ANJ)

Jeremy Morgan (Secretariat) (JM)

The following attendees from Transport for Wales were present for specific agenda items: Geoff Ogden (GO); Alexia Course (AC); Karl Gilmore (KG); Gareth Morgan (GM); David O’Leary (DOL); and Lewis Brencher (LB).

Part A: Full Board Meeting

1) Introduction

a. Apologies for Absence

The Chairman welcomed the Board to the meeting, his first as Chair. SW expressed his delight at having the opportunity to Chair the new venture and was looking forward to working with the Board as a team.

There were no apologies for absence.

b. Notice of Quorum

A quorum being present, the Chair declared the meeting open.

c. Conflicts of interest

HC declared that her spouse had ties with ‘Washington’ a company being used by TfW and TfW Rail Services. This had been declared to the Finance team and she had taken action to ensure she was not involved in anything related to the company.

LB (who would join the meeting for Part C) is a secondee from TfW Rail Services.

d. Minutes and action from previous meetings

The Minutes from the previous TfW Board meeting on 20 December 2018, subject to a minor change, were agreed as a true and accurate record and would be published on the TfW website.



The Board discussed the outstanding actions from previous meetings and agreed to update the Action Log, including the closure of several actions.

2) Safety

a. Safety Performance

GM introduced the Safety Update paper. GM explained that delivery partners were not all measuring the same parameters, but that action to align them was underway.

GM described a recent incident involving a minor which resulted in an injury and explained that TfW Rail Services did not admit liability, but had provided support. SH asked what action other organisations take in the event of a minor being injured.

ACTION: GM to identify action taken by other organisations in the event of a customer being injured.

GM explained the main infrastructure partner is developing its safety management system and a meeting with RSSB will take place on 31 January to update on progress. GM emphasised the importance of the safety management system and that if it is not in place, services cannot run.

GM outlined plans to launch a corporate well-being programme with an initial focus on mental health. NK asked whether Rail Services were aligned with TfW activity. GM said that with Rail Services attending Health, Safety and Wellbeing Committee meetings, it should drive a 'one-team' approach.

GM confirmed that TfW is using the Welsh Government's Employee Assistance Programme. JP and SH emphasised the need to ensure that whichever system TfW uses, it should provide the best value for money.

NK informed the Board that the next level of data is being developed to allow analysis of responses to health and safety incidents.

3) Strategic/Development update

a. CEO's report

JP summarised the main points of his CEO report. JP informed the Board that rail services performance is back to acceptable levels following the issues faced in Autumn 2018, and that important lessons have been learnt.



SW commented that the Autumn 2018 issues were a good test of TfW and Rail Services working together, and JP confirmed that the system of working together was reasonable, but communication needs improving.

TfW and TfW Rail Services' approach to 'one-brand' is working effectively so far. TfW and Rail Services executive teams joined for an away-day last week. JP emphasised that the Board needs to challenge TfW on whether the one-brand approach is being pushed enough but also, that clear lines are drawn where necessary. During last week's away-day, various ideas were discussed on how TfW and TfW Rail Services can share services.

Action: JP to produce paper for February's Board on how TfW can work closer with Rail Services to develop the one-team and one-brand approach.

SW stressed the need to agree shared objectives which are driven from both TfW and TfW Rail Services' senior managers.

The Board discussed whether a one-team approach could be maintained if the Welsh Government gives more services to TfW. JP explained that a one-team approach can be used across various transport areas for items where the same skill sets are required. JP also confirmed that internal systems and processes were being set-up to allow the transition of other services into TfW.

JP informed the Board that he had recently met with Network Rail. Discussions continue on the potential impact on TfW operations from any future Network Rail structural changes.

Other projects such as CVL transfer, Llanwern development and the implementation of the May timetable are progressing well, but mitigations are also in place should they run into any problems. TfW are also exploring catering services and are keen to engage with SW, given his hospitality experience.

ACTION: JP to engage with SW on catering services

The TfW team continues to grow. New starters over the last few weeks have included a new Director with responsibility for development of TfW in North Wales, and a member of staff with responsibility for government relations.

TfW is also in the process of implementing a new finance system which should be ready in the new financial year.



b. Sub-committees

People Committee

The Board discussed the People Committee's terms of references, which were agreed subject to updating membership details. The terms of reference will be accompanied by a statement from the CEO on his commitment to people issues.

Action: ANJ to update and finalise People Committee terms of reference

The Board agreed that the People Committee will also oversee the development of an employee engagement questionnaire.

Audit and Risk Committee

The Board approved the revised Audit and Risk Committee terms of reference.

HC updated the Board on the process for appointing a non-executive director with a Finance background, who will also Chair the Audit and Risk Committee. It is hoped that the appointment will be made by the middle of March 2019.

c. Finance

HC confirmed that given the timing of the Board meeting, the December 2018 management accounts were not available and would be distributed to the Board as soon as available. HC therefore provided a verbal update.

ACTION: HC to provide the Board with the December 2018 management accounts as soon as available.

HC outlined that the Welsh Government is keen to receive any operational expenditure underspend, which for 2018-19, is mainly due to delayed recruitment. TfW, rail services and the Welsh Government continue to develop ideas on how to efficiently and effectively utilise capital expenditure within this year. Further discussions with both the Welsh Government and Rail Services are planned.

HC to provide the Board with a paper on capital expenditure as soon as available.

HC confirmed that the finance team are in the final stages of developing 11 accounting treatments and policies, some of which require changes to the management account process and will be implemented subject to Welsh Government acknowledgement. In the absence of a properly constituted Audit and Risk Committee, the potential changes in process will be scrutinised by both the Board and TfW's external auditors, once appointed.



Discussions are on-going with potential external auditors shortlisted from a CCS framework. TfW has held discussions with six potential providers, which was subsequently reduced to four. HC confirmed that TfW is aiming to submit a paper to Board members by the end of January with a recommendation for appointment.

HC informed the Board that the Finance team will soon carry out a further IR35 review.

d. Strategic Issues for Future Board Meetings

The Board discussed the need for measures for continuing the TfW projects, brand and services if the ODP failed.

ACTION: JP to produce a paper for March's Board meeting on measures in place and planned for the TfW brand if the ODP failed.

Part C: Operational update session

GO, GM, AC, LB, DOL and KG joined the meeting

4) Impact of timetable changes

AC introduced a paper setting out the impact of the minor timetable changes made in December 2018 and looking forward to changes coming from May 2019. The December changes, which are mainly service amendments, have had no significant performance impact.

The paper will be supplemented by a more detailed paper for February's Board meeting on the more fundamental May 2019 timetable changes.

The Board noted the contents of the paper.

5) Pontypridd accommodation

GO updated the Board on the Pontypridd accommodation project. The accompanying paper set out proposals for reaching an agreement on building fit-out. GO agreed to provide the Board with the Heads of Terms.

ACTION: GO to provide the Board with Heads of Terms agreement.

The Board agreed the recommendation in the paper aimed at safeguarding the delivery date and consequently reducing risk of overspend to occupy the Pontypridd Office building by working through the Landlord, Rhondda Cynon Taff Council (RCT), to complete the Office fit-out works.

6) Business planning



GO presented a summary outline of TfW's current governance framework. GO proposed that the current business plan is updated to reflect the latest Welsh Government remit letter for 2018/19. TfW will update the plan annually or for any significant change, in particular, reflecting any additional responsibilities remitted to TfW and to align with any revision of TfW's vision and values.

The Board agreed the proposed approach and to Board workshops on TfW's strategic direction, to which the Board agreed that it needed to provide input.

ACTION: GO to organise workshops for the Board on TfW's strategic direction

7) Milestone trackers

Programme

Go introduced the Programme milestone tracker which was showing good progress. The Board noted the paper.

Corporate

Go introduced the Corporate milestone tracker which was showing good progress. GO explained that he will be reviewing where the organisation is in terms of moving to business as usual. The Board noted the paper.

8) Key risks and mitigation

DOL summarised the recent work carried out on TfW's development of a more strategic, high level risk register [strategic risk register] for the Board, as requested at December's meeting. The strategic risk register is still in development and risks have not been assessed against impact and likelihood, and neither do they have a mitigation statement. However, JP confirmed that mitigating action was in place for all the risks but has not yet been articulated on the risk matrix. DOL also outlined plans to link the strategic risk register with business continuity processes. The Board agreed that it is presented with strategic risk register for each meeting, even if it is unchanged.

DOL will also pull out the key items of the operational risk register for every Board meeting. DOL confirmed that currently, the biggest risk was CVL asset transfer.

9) Communications

LB introduced a summary of key communications data. There is an on-going emphasis to link communications with the detail of the Grant Agreement to inform the public when items set-out



in the agreement are being implemented. SH asked how the communications figures compare with Rail Services. LB stated that work is on-going to integrate systems.

NK asked about the numbers of complaints and how many were being escalated because the issue was not dealt with the first time. LB agreed to share figures on complaints with the Board.

ACTION: LB to provide figures on complaints for February's Board meeting

10) CVL Early Contractor Involvement contracts

KG presented details on seven CVL ECI packages currently in the final stages of procurement.

Two of the packages are particularly prominent:

1. WP08 – Taffs Well depot. Two final tenderers remain in the competition with final commercial evaluation to be completed this week. Contract award is scheduled for the end of January 2019.
2. WP04 - Rail Control Systems – niche work which attracted three potential bidders, one of whom has pulled out. One the remaining bidders has asked for more detail on the contract.

The contract is on course to be awarded by the end of January.

11) Any Other Business

No other business was raised or discussed.

Part D: governance training

Brian Whalley (Public Accountability Training Ltd), Julia Douch and David Richards (both Welsh Government), joined the meeting to provide training on arms-length body governance.

The next meeting of Board is scheduled for 26 February 2019. The Chair thanked everyone for attending and closed the meeting.