



TRAFNIDIAETH CYMRU TRANSPORT FOR WALES

TfW Board minutes

20 July 2023

09:30 – 16:00

Venue – Llys Cadwyn

Attendees

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

In attendance: Jeremy Morgan, Gareth Evans (Welsh Government) and Leyton Powell (item 2).

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.

1d. Minutes & Actions of Previous Meeting

The minutes of the TfW Board meeting 15 June 2023 were approved as a true and accurate record.

1e. Safety Moment

The Board discussed recent press coverage of the 2016 Croydon tram crash. The coverage provided a reminder that the impact of significant incidents can remain for several years after they occur.

1f. Customer moment

The Board were informed that on a TfW service last week, both the air conditioning and heating were in operation at different points during the journey. The Board were informed that heating is controlled by the depot and not by the conductor.

2. Safety performance

Leyton Powell joined the meeting.

The Board were updated on the following health, safety and resilience developments:

- Positive feedback was received from passengers and staff following the Rail Safety week “Beware of the Bubble”. Teams visited stations across the network using virtual reality to show how to behave safely on stations and level crossings.
- The development of a ‘One TfW Health & Wellbeing plan’ through collaboration between the Health and Safety and Sustainability teams.
- Collaborative review of level crossing risk assessments with AIW.
- Lessons learnt from recent incidents in Enfield and Reed Point, Montana.
- Progress against the ORR’s improvement notice.
- Developing TfW’s business resilience arrangements.

The Board were informed that the period has seen a rise in the number of safety incidents largely resulting from customer behaviour. Work is underway to review the main causes and behaviours.

3. Risk register

The Board noted the strategic risk register. It was agreed to remove the risk on funding for 2022/23.

Leyton Powell left the meeting.

4. Strategic update

4a. CEO report

The Board were informed that greater clarity has emerged in several areas including modal shift, operating as a multi-modal organisation, TfW’s role on bus, and rail performance.

As a result of the Board’s challenge to the CEO, the CEO is actively challenging the organisation more, especially on rail performance. The Board confirmed its support.

The Board welcomed the particular focus on rail performance in regard to the delivery of more Class 197s, maximising the availability of 175s, improving the reliability of Mk4s and catching up with maintenance requirements of the sprinter class trains that was caused by higher mileage runs on the Marches. The Board noted the positive impact of these actions in month with an increasing number of four-car 197 services seen on Cardiff to Holyhead routes and an increasing number of days where four Mk4 sets were running in service.

However, there are urgent and immediate issues in regard to capacity at the Chester Depot and work is underway to agree a plan with CAF.

The Board were updated on the continuing evolution of ‘TfW 2.0’ in facilitating increased multi-modal working. Positive conversations have been held with the Deputy Minister and progress has been made with him on agreeing a local government observer to attend Board meeting. The Board welcomed the draft remit letter from the Welsh Government.

The Board were updated with progress on the following:

- Developments around the bus agenda including discussions around procurement and depots.
- Work to understand the implications of inflation on projects.
- The latest on negotiations to agree the DRI.

The Board were provided with a high level update on CVL transformation including mitigations to counter possible programme prolongation and the impact of inflation. The Board were briefed on a range of possible mitigations to

ease inflationary issues through revisions to the scheme and a rolling stock plan. The Board emphasised the importance of remaining within the current agreed budget envelope and supported the potential mitigations. Jan Chaudhry Van der Velde joined the meeting to provide an update on rail performance. Rail Period 3 saw a gradually improving performance and into Rail Period 4. The Board were keen to understand the difference between the current position and where TfW wants to be. It was agreed to bring these issues back to Board on a regular basis and piece together the moving parts, especially around rolling stock availability and delivery against the plan to recover over the next few [REDACTED]

Jan Chaudhry Van der Velde left the meeting.

4b. Finance and governance

The Board were informed that the external audit has been completed with no issues identified. The 2022/23 Annual Report and Accounts will be published internally next week and publicly shortly after.

The Board agreed to write to the Welsh Government on the need for a decision on TfW's CVL Fibre proposal [**Action James Price**].

The Board were updated on progress with corporate KPIs, the rail affordability plan, and progress with agreeing a new management agreement with the Welsh Government. The Board noted that progress with the Code of Ethics was awaiting trade union agreement. The Board agreed to work on promoting the seven principles of public life across the organisation [**Action Jeremy Morgan**].

The Board were also updated on plans for developing the budget for 2024/25. A first cut is required for the end of July with deep dives to take place over the summer. The Board noted the model used along with the risks and opportunities presented.

The Board noted the management accounts for June 2023 and the current small trend of underspend. The Board discussed potential methods to increase passenger revenue.

Part B – Operational update session

Geoff Ogden, Lewis Brencher and Dan Tipper joined the meeting.

5. Active Travel

Chris Roberts, Dafydd Trystan and Phil Jones, Natalie Grohmann (all Welsh Government), Matthew Gilbert and Glyn Evans (TfW) joined the meeting.

Dafydd Trystan provided a briefing on the role and remit of the Active Travel Wales Board. Chris Roberts gave an introduction to the work of the Cross-Party Group on the Active Travel Act comprising members of all four Senedd parties and external members from 30 organisations. Phil Jones introduced the work on 20 mph task force, the road safety benefits, communications campaign, and other potential regulatory changes.

Matthew Gilbert and Natalie Grohmann briefed the Board on the key activities in developing the Welsh Government's Draft Active Travel Delivery Plan including re-remitting the Active Travel Board and key future activities. The Board were also briefed on the future of the Active Travel Fund programme and the impact of the increased investment, Pathfinder Programme and the Active Travel Design hub.

The Board welcomed the update and discussed integration between active travel and public transport networks and modal shift.

Chris Roberts, Dafydd Trystan and Phil Jones, Natalie Grohmann, Matthew Gilbert, Geoff Ogden & Glyn Evans left the meeting.

6. Stakeholder Engagement Strategy

The Board were updated on the latest position regarding the stakeholder strategy in the context of the new operating model, the business plan, and on-going behaviour change work.

The Board noted the key themes around the work in respect to key influencers; how to use stakeholder and engagement to deliver behaviour change; and demonstrating TfW's care for communities and stakeholders by responding positively to opportunities and requests.

7. CVL update

The Board were advised of the latest on the signalling system, entry into service, Class 198 testing, and changes to a more geographically based organisational structure.

The Board were informed that the Treherbert blockade works were on programme and bus replacement services were much improved.

The Board noted the latest emerging risks and challenges around commissioning and entry into service; design completion; energisation programme; CAR / BAY delivery programme. Regarding cost inflation, TfW's Commercial team has been mobilised to take direct control of day to day and contractor commercial management from AIW. A review of cost inflation contractor budgets is ongoing as part of detailed due diligence, with mitigation under development where required.

Dan Tipper left the meeting.

8. Corporate KPIs

Zoe Smith-Doe joined the meeting.

The Board were updated on the development of a suite of corporate key performance indicators. The Board emphasised the importance of receiving management commentary alongside the figures.

The Board noted plans to link the work with the developing internal control environment.

The Board approved the suite of indicators and noted that this will refine as TfW 2.0 evolves.

Zoe Smith-Doe left the meeting.

9. Pay As You Go

Alexia Course joined the meeting.

The Board were reminded that the project is the UK's first multi-modal pay as you go project outside London and the first in a non-regulated environment for both bus operations and a Train Operating Company.

The Pay As You Go project is now in the live assurance stage for test teams and using live Visa cards. Testing will increase over the summer with piloting due to commence through 50 pre-identified users for four weeks. The Board welcomed moving to the live assurance phase.

The Board were also informed that work continues to develop the bus element which will be integrated in the rail project. Timelines are not yet confirmed.

10. Transforming business travel and developing product innovation

The Board were informed of planned changes to TfW's Business Travel Service including re-branding, digitalising, improving products and services, and changes to the operating model. The Board welcomed the planned changes and saw good potential in the planned proposition.

The Board noted a paper summarising the strategic approach to be undertaken to drive innovation and cultivate a successful portfolio of new products. The approach is designed to complement the work already being undertaken around commercial ticket products.

11. Revenue Protection

The Board noted a paper setting out the approach to protecting revenue over the previous 12 months based on the key principles of improving data quality, deploying a smarter approach to mobile revenue protection, improving gateline coverage, improving train scan rates, reducing on-board sales to provide greater focus on the importance of validation; and activities targeted at reducing fraud through a more data-led approach.

The Board noted the targets set to support these activities and progress to date.

The Board were advised of the planned longer-term strategic approach [REDACTED], the incorporation and increased use of technology, implementation of a workforce planning model for stations, a progressive recruitment model, evaluating gateline activity risk assessments, and collaborative review of the Stations Harmonisation agreement providing opportunities to reform retailing space and the deployment of staff. The Board were also updated on progress with improving on-train scan rates, and the use of a fraud analyst.

The Board noted that revenue protection is regularly reviewed through the Executive Revenue Steering Group and the TfW Rail Board.

The Board welcomed the update and requested a further update in six months **[Action Alexia Course]**.

[REDACTED]

Alexia Course left the meeting.

12. Sub-committees

The recent meeting of the Health, Safety and Wellbeing committee focussed on performance, results of a recent RSSB review, and the use of body worn cameras.

June's Audit and Risk Committee received several updates on the development of the internal control environment, internal audit, external audit, including approval of the annual report and accounts, insurance and risk management.

The recent People Committee meeting focussed on pay, staff engagement, gender pay gap, integration of data across the group, and recruitment and retention.

The Board approved revised terms of reference for the Major Projects Committee.

13 Subsidiary Boards

The Board were updated on the recent meeting of the TfW Rail Ltd board meeting.

14. Steering Board

The recent meeting of the TfW Steering Board focussed on finance, TfW's letter of comfort, audit, and TfW's business plan.

The Chair brought the meeting to an end and thanked everyone for their input.