



**TfW Board minutes**

**19 October 2023**

09:30 – 16:00

Venue – Llys Cadwyn

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**Attendees**

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

In attendance: Peter McDonald (Welsh Government), Alan McCarthy (Unite) (items 1-4) and Jeremy Morgan.

**Part A – Full Board Meeting**

The Chair welcomed everyone to the meeting. The Chair welcomed Julian Edwards (Associate NED on the TfW Rail Board) as an observer to the meeting.

**1a. Apologies for Absence**

Andrew Morgan (Local government observer).

**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 21 September 2023 were approved as a true and accurate record. The actions log was noted.

**1e. Safety Moment**

The Board's attention was drawn to a heritage train operator which was prosecuted after a volunteer fell from the top of a carriage. Gwili Railway Company Ltd was fined £18,000 for breaching regulation 6(3) of the Work at Height Regulations and therefore guilty of an offence contrary to section 33(1)(c) of the Health and Safety at Work Act. The Board discussed the need to ensure specific tasks are planned, managed and supervised appropriately.

The Board was also made aware of a very serious incident in central Manchester when a person was killed following a bus crashing into the front of a shop. The Board noted the fragility of bus safety and were informed that TfW is developing a safety and security strategy for bus.

## 1f. Customer moment

The Board noted a recent customer experience witnessed when a visitor using TfW services clicked the wrong date on their e-ticket. The conductor spent a great deal of time with the individual, providing an excellent service.

The Board also reflected on the use of Customer Relationship Management systems. Such systems should be seen as a means to an end and as an enabler only. Of prime importance is a system's underlying architecture and how it is used to improve the customer experience.

## 2. Safety performance

Leyton Powell joined the meeting.

The Board were updated on the following health, safety and well-being matters:

- The risk of bed bugs is being built into train cleaning regimes.
- A recent meeting with ORR where TfW received some positive messaging around the response to the improvement notice. The Board welcomed TfW now being seen by ORR as industry-leading in several areas with information being shared with other TOCs.
- ORR has authorised TfW Rail's safety management system for the next five years.
- The combined fatality weighted index score for Rail Period 06 was 0.13, below the predicted figure of 0.17. The moving annual average of 0.20 remains higher than predicted.
- The Risk and Resilience Team are in the final stages of discussions with the Emergency Planning College regarding 'Competency Management' solutions. The intention is to have a full costing profile and completed business case in place by the end of October 2023. The Board were also updated on a major emergency planning event that took place yesterday to plan for a national power outage.
- Security across the TfW group is being centralised resulting in efficiencies. The Board were keen to understand spend on security. Costs are between £16m and £17m per year and the Board asked whether further efficiencies can be made and whether this can be blended with revenue protection [**Action Leyton Powell**].

## 3. Risk register

A review of risks against TfW's risk appetite statements is complete and showing positive alignment.

It was confirmed that 2024/25 funding will be on next month's Strategic Risk Register.

Leyton Powell left the meeting.

## 4. Strategic update

### 4a. CEO report

Rail performance has improved since the last meeting but there has been a disappointing corresponding drop in customer satisfaction. Marie Daly was asked to investigate [**Action Marie Daly**].

There has been recent positive engagement with the Welsh Government with discussions focusing on the need for TfW's senior team having greater delivery focus and assisting with the Welsh Government's strategic policy making.

The Board discussed the void in TfW's senior team around experience with policy development and stressed the need to ensure continued clarity on TfW's and the Welsh Government's responsibilities.

Rail performance has continued to improve over the last rail period but rolling stock provision is challenging. In particular, Marches line issues are taking longer than expected to rectify.

The Board were updated on Chester Depot capacity strains. A plan is in place for Cl. 175s to be moved out of service which will allow CAF to concentrate solely on Cl. 197s. Work is also on-going to achieve five and six car MKIVs. Discussions are to take place with DB Cargo to improve the contract for MKIV locomotives for both parties. Delivery of Cl. 197s has dropped slightly but remains within plan. 32 of the 77 units have been delivered. The engine title issue for Cl. 197s is close to being concluded but remains a risk until finalised.

The Board were also updated on:

- Applying lessons learnt from rail franchising to apply to bus and committing to more senior management time on bus franchising.
- On-going development of TfW 2.0.
- Positive Welsh Government feedback on Project Bullseye to amend the timetable to align with post-covid passenger numbers and patterns.
- Fares strategy and future options.
- Cardiff Central Enhancements project. The Board requested an update for the next meeting [**Action Alexia Course**] and a lessons learnt exercise overseen by the Major Projects Committee.

Alan McCarthy left the meeting.

#### **4b. Finance and governance**

The Board noted the management accounts for September 2023 and were updated on the following:

- Revenue expenditure in the month was generally on plan and any changes were due to phasing. There was a capital expenditure underspend due to phasing.
- Work has commenced to agree the 2024/25 budget with the Welsh Government with a focus on achieving 5% savings from 2023/24 for non-resource staffing in central services.
- The Board will be asked to review the amended Articles of Association and new Framework Document which has been agreed with the Welsh Government.
- The Board approved the Counter Fraud Strategy, action plan and learning and development plan which covers the whole TfW group, a new counter-fraud policy which covers fraud, whistleblowing, conflicts of interest, gifts and hospitality and an investigation framework.
- The UK Government have stopped the planned UK Corporate Governance reform.
- TfW Rail's finance system reaches its end-of-life in 2027/2028 with plans being made for its replacement. The likely cost is estimated at being around £1.5 million.
- Approval is still awaited from the Welsh Government regarding CVL fibre. The Board asked for an update on whether progress has been made on finding an individual to lead the work [**Action Heather Clash**].

#### **Part B – Operational update session**

Marie Daly joined the meeting

#### **5. Business Pan and KPIs.**

Zoe Smith-Doe joined the meeting to update the Board on delivery against Business Plan milestones. Currently, just under 10% of milestones are at risk of non-delivery this financial year. The Board noted the update and commented that the framework for reporting is improving.

The Board noted the quarterly corporate KPI report, noting that baseline data is still being gathered for several of the indicators.

Zoe Smith-Doe left the meeting.

## 6. Ticket offices

The Board considered a paper to review and subsequently implement changes to TfW's 42 rail ticket offices and seven agent ticket offices. The Board endorsed a proposal to categorise ticket offices into several options. [REDACTED]

[REDACTED] The Board also endorsed subsequent implementation of any changes based on the robust development of each option and individual precis for change. This includes commencing consultations with trade union partners and TfW colleagues to build station-by- station solutions from the ground up. The Board noted that endorsement of the proposition would only provide a mandate to start discussions with the trade unions.

The Board welcomed the clear opportunity to create a ticket office proposition which is uniquely but appropriately Welsh, aligns with the social partnership ethos, delivers a customer experience to be proud of, and delivers commercial return in the current financial climate.

The Board emphasised need to learn lessons from RDG's recent ticket office exercise in England and that the aim of the proposition is about driving up revenue and not cutting costs or jobs.

## 7. CVL update

The Board were updated on the main areas of progress with the CVL Transformation programme:

- Programme costs and inflation impacts.
- Monitoring and governance.
- Merthyr and Aberdare commissioning is complete done.
- Issues are being managed regarding entry into service, with on-going discussions with AIW.

[REDACTED]

## 8. TfW 2.0

The Board were updated on a plan of work designed to act as a point of focus for managing business change required for the development of "TfW 2.0" that aligns existing major organisational change initiatives towards a common purpose and addresses the business readiness gaps for bus franchising. Proposal to move this into the business through a workstream approach.

The Board noted the plan and that Deputy Minister's interest in this programme. The Board also noted the non-alignment of terms and conditions across the TfW group of companies as being a potential barrier to working across modes.

## **12. Sub-committees**

The recent meeting of the Major Projects Committee considered bus franchising, Cardiff Interchange, Cardiff cross-rail, and rolling stock.

The Board were updated on September's Health, Safety and Well-being committee meeting which focussed on progress against plans and projects, suicide prevention, occupational health support services, winter preparation and vegetation management, and customer behaviour including slips, trips and falls.

The recent Audit and Risk Committee considered contract management, internal controls, internal audit and counter fraud.

The People Committee focussed on TfW 2.0, the draft People Plan, anti-racism, integrated KPIs; defining smart objectives; and the reward alignment project.

## **13 Subsidiary Boards**

The Board were updated on the recent meetings of the Pullman and TfW Rail board meetings.

## **14. Steering Board**

The recent meeting of the Steering Board considered meetings with the Deputy Minister, CVL transformation, TfW's 2024/25 budget, the Welsh Government / TfW framework agreement, CEO report, risk report and KPIs.

## **15. Confidential session**

The Board entered a confidential session.

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