



TRAFNIDIAETH CYMRU TRANSPORT FOR WALES

TfW Rail Ltd Board Minutes

10 November 2023

09:00 – 14:30

Venue: St Patricks House, Cardiff and online

Attendees

James Price (Chair), Heather Clash, Jan Chaudhry Van der Velde, Marie Daly, Alexia Course and Peter Strachan.

In attendance

Julian Edwards (Associate NED) and Ross Whiting (Sec).

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 it open.

1c. Declarations of Interest

There were no declarations of interest.

2. Safety moment.

Board considered the RAIB Report on the 2021 Salisbury Tunnel Junction collision causes and lessons that could be applied including poor adhesion mitigation measures and recommendations regarding the rolling stock, where there are similarities to that operated by TfW Rail.

3. Customer moment

Board welcomed an update on Project Zero which showed signs of sustainable change. They considered how to avoid slipping back, ensure sustained change in mindsets, encourage self-service, automate repetitive queries e.g. delay repay, and how Board remains updated. It was agreed that customer complaint data would be included in KPIs
[Action Marie Daly].

4. Minutes and Actions

Board approved the minutes of the meeting held 13 October 2023 as a true record, with a minor amendment under item 5.2. The actions log was noted and updated.

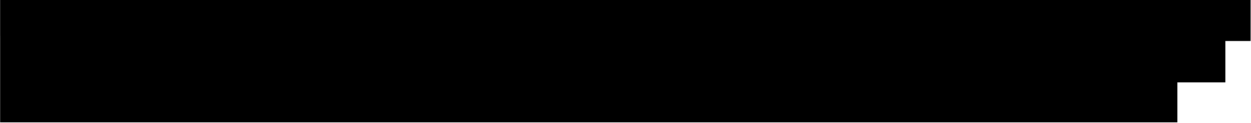
5. Class 230s Capex Business Case

Rob Hale and Ryan Williams joined the meeting.

Board received an overview of the business case. It was focussed on capex as maintenance would be considered separately. The recommendation was to approve the investment in the Class 230 units.

Members discussed:

- The need to ensure investment in Cl.230s is balanced against their likely future replacement.
- The importance of investment to ensure a reliable service using only Cl.230s. It was noted that no investment would mean other rolling stock such as Cl.150s and Cl.197s would be required to ensure reliability on Wrexham-Bidston. This could have knock-on impacts on other services.
- Whether other units could be sourced to replace or complement Cl.230s to improve reliability. It was noted that without timetable sacrifices, the proposed investment would be the cheapest option.
- Improvements that had been made on Cl.230s and how additional investment builds on this and leads to additional ROI on Cl.230s through improved reliability and residual value.

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- Whether investment in two rather than three units would be preferable to prove the benefits. It was noted if Board approved the full investment, the third unit investment could be subject to a go/no go decision by Investment Committee once benefits and cost were clear.
 - What level of revenue growth could be expected if reliability was increased. It was agreed that Alexia Course and her team would model revenue [Action – Alexia Course].
 - How to meet the proposed capex as the investment was not in budget or forecast for FY24.
 - The need to ensure value for money for maintenance. A proposal was accepted to deploy an independent production engineering specialist to review the maintenance processes and establish greater efficiency and value for money.

Board approved the business case.

Rob Hale left the meeting.

6. Fleet Availability and Future Size

Board was asked to consider and propose questions on the topic of fleet availability and longer-term confidence in availability ratios. They received an overview of the current situation, noting high levels of volatility and quick recovery after disruptions. Current fleet numbers were felt to be correct, but it was noted that risks existed in the future, particularly around Cl.197s and data that suggested additional requirements in the future.

It was agreed that the availability ratios for the fleet in the end state for the WCB would be reviewed in the round, taking account of the Bullseye timetable optimisation decisions, to make sure that they were realistic and not too optimistic. [Action – Jan Chaudhry-Van der Velde].

Ryan Williams left the meeting. The meeting adjourned for an hour for a Remembrance service.

7. Chief Operations Officer report

Board received and noted an overview of the COO's report. The overview focussed on:

- Upcoming fleet pressures and estimates, including how this was being addressed without adverse impacts on driver training on newer units. Members suggested potential solutions including use of Cl.175s, Cl.197s, or potential charter services.
 - Impact of works on the Ebbw Vale line and how broader infrastructure work impacts fleet availability.
 - Improving position on MkIVs and potential risks. [REDACTED]
[REDACTED]
[REDACTED]
 - Rail head treatment and WSP systems that were working during leaf fall season. It was noted discussions were taking place with NR on what constitutes a low adhesion site.
 - Two category A SPADs during the period, and a low-speed collision between a Cl.175 and Cl.158 on approach to Canton under permissive working, and investigations that were taking place. There were no injuries and minor damage which was repaired on site.
 - An update on Quaker's Yard which had not yet opened due to last minute planning consent issues. The new aim was to open in the first week in January 2024.
- [REDACTED]

7.1 Strategic KPI Report

Board noted the report. Recent storms had caused temporary performance issues, but the long-term view was good.

7.2 Safety Assurance Report

Board noted the report. A query was raised in relation to a tool left in a tunnel which caused disruption.

8. Rail Risk Dashboard

Board received and noted an overview of the risk dashboard. The dashboard has recently taken place to review risks and the initial focus was a top-down view of major risks.

Members discussed the dashboard, noting key risks included funding restrictions, lack of revenue growth, fares uncertainty, service performance, exogenous factors, and supply chain. Concern was noted that too much detail and too many risks were presented to the Board, and some were out of date or business as usual.

The Board agreed that a meeting would be held between Marie Daly, Jan Chaudhry-Van der Velde, Alexia Course and Leyton Powell to discuss risk management [Action – Marie Daly, Jan Chaudhry Van der Velde, Alexia Course]. The Board also recommended a broader discussion at TfW Board and TfW ELT about risk management.

9. Marketing update

Stephanie Raymond joined the meeting.

Board noted a marketing update which included TAM and opportunities, marketing spend based on returns, opportunities on the North Wales coast, and events.

[REDACTED]

[REDACTED]

[REDACTED]

10. Commercial update

Board noted and received a commercial update overview. [REDACTED]

[REDACTED] The update provided a forward look, including project apex and analysis that will take place on its impacts. The open phase of the PAYG pilot was due to begin, but GWR would be out of scope. It was noted that regulated fares proposal revisions would come back to the Board.

Members discussed the fares approach and potential changes in how they are regulated in future by DfT and WG.

11. Financial review

The Board noted the financial review, which emphasised favourable revenue subsidy, settlement of historic schedule 4 claims with two more to settle, assurance, end of year, confidence in maintaining results in like with R2, changes around pay award, and risks. [REDACTED]

[REDACTED]

It was noted that in the future on Schedule 4 and Schedule 8, discussions were being held but would likely stay in the Schedule 4 regime for Network Rail but come out of it for the CVL network. This would mean that revenue impact and rail replacement costs would need to be absorbed for CVL possessions.

Board discussed projects, work ongoing with the rail budget v2 and peer review sessions, growing insight on finances, and the potential that revenue expectations could be lower than they should be due to upcoming improvements in capacity and that revenue could have a range.

Stephanie Raymond left the meeting.

12. TfW 2.0

Board received and noted an update on TfW 2.0, including the potential for a rebrand and what needs to be done for 2026. It was agreed that any notes and feedback should be sent to Marie Daly.

13. Ticket Office Transformation

Board received and noted an overview of the paper, which focussed on work that was taking place about the resource model, the need to co-create solutions, and sensitive management and communication. Members discussed what changes would be appropriate and options were available, and links to cashless strategy.

Heather Clash left the meeting.

14. Pay

The Board received and noted an update on pay discussions and agreements that had been reached. Further discussions would be taking place and agreements would be brought to the Board for ratification.

15. Any other Business

A member noted that a common driver of complaints was cleaning. Board was informed a deep dive was scheduled to understand and resolve this.

There being no other business, the Chair thanked everyone for their contributions and closed the meeting.

[REDACTED]