

**Transport for Wales Board Meeting**

09:00 – 14:00; 19 July 2018

Welsh Government Office, Llandudno Junction

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**Minutes**

**Present:**

Nick Gregg (NED & Chair) (NG)

James Price (CEO) (JP)

Martin Dorchester (NED) (MD)

Alison Noon-Jones (NED) (ANJ)

Nikki Kemmery (NED) (NK)

Kathryn Harries (Secretariat) (KH)

The following observer(s) from the Welsh Government were present for Part A and Part C of the meeting:

Simon Jones (WG Observer) (SJ)

Jenny Lewis (WG Observer) (JL)

The following attendees from Transport for Wales were present for specific agenda items:

Geoff Ogden (Exec) (GO)

Jeff Collins (Exec) (JC)

**Apologies:**

Heather Clash (TfW) (HC)

Sarah Howells (NED) (SH)

**Part A: Full Board Meeting**

**Notice and Quorum**

1. A quorum being present the Chair declared the meeting open. The Chair confirmed that notice of the meeting had been given to each Director who was entitled to receive such notice.

### **Apologies**

2. Heather Clash and Sarah Howells sent their apologies. No further apologies for absence had been received.

### **Conflicts of Interest**

3. The Chair asked if there were any conflicts of interest to declare. No new or updated conflicts of interest were declared.

### **Minutes of the Previous Meeting**

4. The Board reviewed and approved the minutes of the meeting held on 2 July 2018. The Chair sought progress in relation to the open actions. Updates were received from Board members and it was agreed that a number of actions could be closed.

### **Matters Requiring Consideration**

5. The Chair referred to the agenda items tabled for today's meeting:

#### **Item 2: Health & Safety**

##### Item 2a: Safety Moment

JP explained that the purpose of this agenda item is to ensure that safety is a priority. The Board discussed a fatal incident that occurred on a railway bridge in South East Wales. The Board discussed on-site safety and noted the importance of implementing and following safety procedures. NG raised a recent event whereby a company received a large fine for not carrying out appropriate health surveillance on its employees. NG added that there needs to be a focus on health as well as safety.

It was agreed that NK would work with Gareth Morgan to ensure that a process is put in place to make the Board aware of any health and safety incidents. It was also noted that health and safety reporting mechanisms need to be in place by 14 October 2018.

*Action:* JC and Gareth Morgan to ensure that health and safety reporting mechanisms are in place by 14 October 2018.

**Item 2b: Health & Safety Performance and Measurement**

JP explained the purpose of this agenda item, which will be used to report on safety metrics from October 2018.

**Item 2c: Significant Incident/Near Miss Review**

NG explained that this agenda item will be used for reporting any significant incidents and near miss reviews when the rail service becomes operational. NK stated that TfW should identify issues before they become near misses. MD added that TfW should have a reporting culture in terms of health and safety. NG stated that the Health and Safety Committee will review the operational aspects of health and safety in more detail when the rail service becomes operational and will provide regular updates to the Board.

**Item 3: Strategic/Development Update**

**Item 3a: CEO's Report**

JP provided an update on the CEO's Report and informed the Board of the key activities since the previous meeting. JP informed the Board that he met with BBC Radio Wales on 18 July 2018 to discuss the Wales and Borders Rail Service and Metro. JP also advised that the Operator and Development Partner would be referred to Transport for Wales Rail Services team. JP provided an update on several staffing changes. NG stated that the People Committee will

review HR matters in more detail and will provide regular updates to the Board.

The Board discussed the company's pension arrangements and the potential option for TfW to become an admitted body of the Principal Civil Service Pension Scheme (PCSPS). JL stated that confirmation has been received from the Cabinet Office that TfW can become an admitted body of the PCSPS. JL confirmed that the proposed date for the transfer of the rail function from the Welsh Government to TfW is 29 October 2018. It was agreed that further information is required on the risks and implications for TfW becoming an admitted body of the PCSPS to enable the Board to make a decision on this matter.

*Action:* HC to lead on developing a paper for the Board on the risks and implications for TfW becoming an admitted body of the PCSPS.

JP provided an update on the Wales and Borders rail service. The Board discussed the provision on rolling stock, including the potential impact should the 769 rolling stock not be available at the expected time.

JP provided an update on finance. JL queried the current forecast against the budget for 2018/19. It was noted that HC is in the process of reviewing the forecast. NG stated that the Audit and Risk Committee will review financial matters in more detail and will provide regular updates to the Board. It was agreed that the updated forecast would be discussed by the Board at the next meeting on 20 September 2018.

*Action:* HC to review the forecast and provide an update to the Board on 20 September 2018.

NG requested an update on the provision of an updated Remit Letter to TfW.

JL stated that an accurate forecast is required to enable the Welsh Government to provide TfW with an updated Remit Letter.

**Item 3b: Finance**

This item was discussed at item 3a.

**Item 3c: Governance Adherence/Performance**

JP confirmed that the required audits have been completed. The Board discussed the available resource in Transport for Wales to manage the audit process.

**Item 3d: ICT Strategy and Systems**

JP provided an update on the development of the company's ICT strategy and systems. The Board discussed the handling and ownership of various data, and the obligations under the General Data Protection Regulation. It was noted that compliance with the General Data Protection Regulation would need to be ensured in relation to customer data. The different system options for managing this data was discussed. The Board note that Microsoft Dynamics is being explored as an option. It was agreed that further information would be provided to the Board in relation to the possible system options.

*Action:* GO to ensure that an update is provided to the Board on the possible ICT system options, including further information on the risks and implications of adopting Microsoft Dynamics.

**Item 3e: Strategic Issues for Future Board Meetings**

NG asked the Board members for any further strategic issues to be included for future Board meetings. No further issues were added at this stage.

**Item 3f: Remit Letter / Business Plan**

There were no further discussions in relation to the Remit Letter and Business Plan.

**Item 3g: Articles of Association / Framework Agreement**

The Board discussed the progress being made on the review of the Articles of Association and the Management (Framework) Agreement. NG queried whether the review of the Management (Framework) Agreement would have an impact on the potential transfer of functions from the Welsh Government to Transport for Wales. JL confirmed that the review of the Management (Framework) Agreement would not have an impact on the potential transfer of functions from the Welsh Government to Transport for Wales.

SJ provided an update on the potential transfer of functions from the Welsh Government to Transport for Wales. NG requested that further information is provided to the Board on the potential transfers, particularly in relation to the proposed transfer of the rail function on 29 October 2018.

*Action:* KH to add the potential transfer of functions from the Welsh Government to Transport for Wales to the agenda for the meeting on 20 September 2018.

NG stated that Transport for Wales will be appointing a HR Director to lead on people matters, including any transfers into the company.

**Item 4: Any Other Business**

**Item 4a: Establishment of Committees**

This item was discussed during other agenda items.

JL informed the Board that the Welsh Government has extended NG's appointment as Interim Chair of the Transport for Wales Board until January 2019 whilst the recruitment exercise to appoint the Chair of the Transport for Wales Board is completed.

SJ and JL excused themselves from the meeting.

### **Part B: Confidential Session**

#### **Item 1: Confidential HR Matters**

This agenda item is minuted separately.

#### **Item 2: Board and Senior Team Performance**

This agenda item is minuted separately. The Chair formally closed the Board meeting.

### **Part C: Open Session**

SJ, JL, GO and JC joined the meeting. The Chair declared the Open Session open and welcomed the attendees to the meeting.

#### **Item 1: Mobilisation**

##### **Item 1a: Transport for Wales Mobilisation**

GO referred to the paper for this agenda item and explained the timeline for the mobilisation of Transport for Wales as a company. GO informed the Board of the actions that are being taken to ensure that Transport for Wales has the required resource in place to deliver its requirements. The Board discussed the actions that are critical for 14 October 2018, including finance processes and systems, the ICT strategy and systems, and the proposed transfer of the rail function from the Welsh Government to Transport for Wales on 29 October 2018.

Item 1b: Rail Services Mobilisation

JC provided an update on the mobilisation of the rail service. JC explained the actions that are being taken to ensure that the new contract for the Wales and Borders Rail Service and Metro will be effectively mobilised. JC also provided an update on autumn readiness. JC referred to the paper for this agenda item and highlighted the main risks to the Board. The Board discussed the main risks, including the provision of rolling stock. It was agreed that a further update would be provided at the next meeting.

*Action:* AC to provide a further update on rail services mobilisation at the meeting on 20 September 2018.

Item 1c: Resourcing

KH provided an update on resourcing and, referring to the paper for this agenda item, explained the proposals to make three senior appointments. It was agreed that Transport for Wales salaries would be reviewed by the People Committee. The Board approved the appointments referred to in the paper for this agenda item.

Item 1d: Communication & Customer Services

This agenda item will be discussed at the next meeting.

Item 1e: Progress Against Milestones and Item 1f: Key Risks & Mitigations

The Board noted the papers for these agenda items and agreed that the detail had been discussed at items 1a and 1b.



**Item 1g: Location Strategy**

JP provided an update on the development of the company's location strategy. The Board noted that the new office accommodation in Pontypridd will not be available until 2020. The Board discussed the options for providing Transport for Wales with temporary office accommodation in South East Wales. Following a review of the different options, the Board approved the company leasing an additional floor at South Gate House.

**Item 2: Any Other Business**

**Item 2a: Pension Scheme**

This item was discussed at item 3a.

**Item 2b: Llanwern Rail Facilities Contractor Procurement**

JC provided an update on the Llanwern Rail Facilities Contractor Procurement. The Board reviewed the paper presented for this agenda item and approved:

- a) the recommendation to explore the option for the main contractor to be responsible for the maintenance of the MESL for up-to 5 years post completion; this can be explored through the main contractor procurement and will enable Transport for Wales to consider the available options; and
- b) the commencement of this procurement (an activity over £5m).

**Item 2c: Engineering Consultancy Services Strategy**

GO provided an update on the Engineering Consultancy Services (ECS) Strategy. The Board reviewed the paper presented for this agenda item and approved the proposed procurement strategy to support the commencement of procurement.

**Item 3: Date of Next Meeting**

The next meeting is scheduled for 20 September 2018. The Chair thanked everybody for attending and closed the meeting.

