



**Transport for Wales Board Meeting – Minutes**

09:30 – 1400; 26 February 2019

South Gate House, Cardiff

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**Present:**

Scott Waddington (NED & Chair) (SW)  
Sarah Howells (NED) (SH)  
Heather Clash (TfW) (HC)  
Jeremy Morgan (Secretariat) (JM)

James Price (CEO) (JP)  
Nikki Kemmery (NED) (NK)  
Alison Noon-Jones (ANJ)

The following attendees from Transport for Wales were present for Part C: Geoff Ogden (GO); Alexia Course (AC); Karl Gilmore (KG); Gareth Morgan (GM); David O’Leary (DOL); and Lewis Brencher (LB). Paul Chase (PC) was present for item 5e.

**Part A: Full Board Meeting**

**1) Introduction**

The Chairman welcomed members of the Board to the meeting.

**a. Apologies for Absence**

There were no apologies for absence.

**b. Notice of Quorum**

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

**c. Conflicts of interest**

No conflicts of interest were declared.

**d. Minutes and action from previous meetings**

The Minutes from the previous TfW Board meeting on 16 January 2019 were approved as a true and accurate record.

**2) Safety**

**a. Safety moment**



GM alerted the Board to the construction and demolition works adjacent to South Gate House and the need to take care because of loose paving. TfW will be providing a 'safe route' to access South Gate House for staff and visitors.

**b. Safety Performance**

GM updated the Board on the latest safety performance. The Health, Safety and Wellbeing Committee met three weeks ago for a productive meeting. The focus of the meeting was on level crossings which was based on a Network Rail presentation. TfW will inherit a number of level crossings as part of CVL asset transfer and is already working with Network Rail to manage the handover.

GM provided an update on the recent launch of the 'Time to Talk' campaign focusing on mental health. Work continues to identify and train mental health first-aiders.

TfW is now a member of CIRAS (Confidential Incident Reporting Analysis Scheme). Staff briefings and a roll out programme are planned for early March.

Two RIDDOR incidents were reported during the last period but were not significant enough to result in a change in TfW policy or procedure. One low-level SPAD was also reported.

***ACTION: GM to check TfW Rail Services' reporting procedure to ensure that there is no over-reporting.***

GM also reported that TfW recently met ORR to discuss progress on the application for CVL asset transfer safety authorisation. Good progress has been made but ORR has requested more detailed information in certain areas.

**3) Strategic / Development update**

**a. CEO report**

JP introduced his CEO report and informed the Board that overall, good progress is being made, particularly in the medium to long term. Orders for rolling stock have been closed out and infrastructure design is progressing as planned.

The key issue short-term issue is ensuring the availability of rolling stock to allow the efficient running of May's new timetable. TfW has commissioned a consultant, formerly a senior executive with several rail companies, to challenge and advise TfW and TfW Rail Services on preparations. TfW is also in the process of identifying potential additional rolling stock options should there be an issue with capacity.



JP plans to write to Andrew Haines, Network Rail CEO, to explore options for more effective joint working following their meeting in January.

***ACTION: JP to write to Andrew Haines, Network Rail CEO, to explore options for more effective joint working.***

JP stated that capital projects are progressing well. However, TfW is dealing with a couple of planning issues and is looking at processes to ensure that inherited projects are taken on without similar issues.

***ACTION: KG to provide a paper for March's Board meeting providing an update on capital projects***

JP updated the Board on the development of the PTL methodology which is progressing well. The Board will receive an update at March's meeting.

***ACTION: AC to provide an update at March's Board meeting on PTL methodology***

JP updated the Board on progress in fulfilling the commitment to TfW having a Trade Union Board member. JP plans to write to the TUC for their view on how to identify a suitable candidate. Several unions have provided evidence to the National Assembly for Wales' Economy, Infrastructure and Skills Committee inquiry on the future development of TfW in March.

***ACTION: JM to send a link to Board members of the EIS written evidence submitted to the National Assembly for Wales' Economy, Infrastructure and Skills Committee inquiry on the future development of TfW***

JP informed the Board that he had planned to table a paper on catering at this meeting. However, recent discussions by TfW's Senior Leadership Team resulted in the need for further work to refine costs. The Board will be provided with an out-of-committee paper before the next Board meeting.

***ACTION: JP to provide the Board with an out-of-committee paper on catering. Following Board approval, JP to seek Welsh Government approval for the recommended way forward and to give notice regarding terminating the current arrangements by 31 March 2019.***

**I. One TfW team**

JP presented a paper on the approach TfW is adopting to partnership working with Rail Services. The Board discussed the potential benefits and the two principles of a one team approach: ensuring that any collaboration savings should be captured and invested in service improvements; and that accountability is not compromised.



**b. Update on sub-committee progress**

Each NED updated the Board on recent sub-committee meetings:

- SH stated that the second customer and communications meeting took place last week and that overall good progress is being made in these areas, noting that the Commercial and Customer Experience Director's work programme will speed up when a full team is in place. The sub-committee is looking at how to use rail user group feedback.
- NK updated the Committee on the last Health, Safety and Wellbeing Committee meeting, most of which was covered in the Safety Performance update [item 2b]. NK added that at its next meeting, the sub-committee will consider the top 10 health, safety and wellbeing risks from TfW, TfW Rail Services and the infrastructure partner.
- ANJ updated the Board on the second People Committee meeting. The committee is considering a potential staff engagement survey and whether the TfW can make use of the Apprenticeship Levy.

***ACTION: ANJ to examine TfW's position regarding the Apprenticeship Levy***

- SW provided an update on the appointment of a Finance NED who will Chair the Audit and Risk Committee. Following a sift last week, five candidates will be interviewed in early March. TfW also has scope to appoint a further NED, potentially with a transport background.

**c. Finance**

HC presented the January 2019 Management Accounts. The accounts highlighted the continued focus on spend and ensuring improved forecasting to guard against underspend on both Opex and Capex. HC presented potential areas of spend in 2018-19 to close out year end.

SH asked for an update on the de-vegetation issue and whether any underspend could be utilised to fund this. HC responded that this has been dealt with, but an update will be provided at the next Board meeting.

***ACTION: KG to update the Board at the March meeting on de-vegetation issues***

HC explained that underspend can result from not being able to fill positions where budget is allocated. This is being looked at in relation to the next version of the Business Plan.



HC updated the Board on accounting treatment policies, all of which have now been approved internally. TfW's external auditors will review accounting treatment policies as part of the external audit and TfW are seeking early feedback before year end closure and management accounts completion. **The Board noted the contents of the Accounting Policies paper and approved the proposed adjustments to the February 2019 management accounts.**

HC provided an update on audit. KPMG, TfW's external auditors started this week and there has been good early engagement. Internal audit commenced in January and is benefitting from a Welsh Government secondee.

HC updated the Board on the implementation of the new finance system which is now at the user acceptance stage. The system is on course for core accounting in April and project accounting in May. The new system will allow all TfW staff to complete timesheets.

HC stated that a budget for 2019-20 is in draft and will be tabled at March's meeting. However, TfW is yet to receive a draft remit letter from the Welsh Government. JP will raise this with the Welsh Government at the next Operational Board meeting.

**The Board approved the Management Accounts for January 2019.**

**In the absence of an Audit and Risk Committee, the Board approved the Anti-Fraud, Bribery and Anti-Corruption policy.** NK stated that it would be useful to share the Anti-Fraud, Bribery and Anti-Corruption policy with TfW Rail Services.

***ACTION: HC to share the Anti-Fraud, Bribery and Anti-Corruption policy with TfW Rail Services.***

**d. Governance**

SW informed the Board of the recent inaugural meeting of the TfW Supervisory Board. The inaugural meeting was dedicated to agreeing the Board's terms of reference. SW emphasised that the Supervisory Board exists to hold the Chair and TfW CEO to account and will not concern itself with TfW's day-to-day operations. Rather, it is there to ensure good governance and to communicate with external stakeholders. Both the agenda and membership will be flexible, with the Welsh Government's Permanent Secretary and the Minister for Economy and Transport occasional attendees

JP suggested that the Board Members would benefit from reading both the First Minister's manifesto and his speech at the Public Leaders Forum.

***ACTION: TC to provide the Board with the First Minister's speech at the Public Leaders Forum.***



**e. Strategic issues for future board meetings**

The Board agreed that for future meetings it needs to focus on both the May and December 2019 timetable changes, infrastructure projects and the lead up to CVL transfer.

The Board stated it was keen for the Welsh Government to provide detail on the Infrastructure Commission's work.

**4) Any Other Business**

The Board agreed to accept Rail Services' invitation to hold June's North Wales meeting at the Tŷnï Holyhead depot.

**Part B - Confidential Session (by exception) - confidential HR Matters**

The Board discussed two confidential HR matters. Action was approved and minuted separately.

**Part C – Strategic update session**

**5) Executive Director sponsored papers**

**a. Strategic risk review**

DOL provided an introduction and overview to the process in developing the Strategic Risk Register. Currently, the three highest risks are the Transport Change Programme, organisation growth and IT security.

The Board discussed each risk on the Strategic Risk Register and the mitigating action to reduce the impact of the risks. The Board agreed that the ARC will need to make a risk appetite statement. The Board agreed various changes and actions to the risks:

- SR-103 - Accident leading to loss of life.

***ACTION: DOL and GM to refine title and likelihood of risk SR-103***

- SR-108 – IT Security and General Data Protection Regulations

Tŷnï is not currently holding customer data information but will in the future hold data on concessionary fares.

***ACTION: DOL to refine likelihood score of risk SR-108 and to provide a paper to the Board for March's meeting on how Tŷnï's mitigating action to this risk.***

- SR-113 – insufficient rate of organisation growth.

***ACTION: GO and LY to review risk SR-113 and post-mitigation score***



**b. May timetable readiness and rolling stock update**

AC introduced a paper on the May timetable changes. May's timetable consists of two significant changes, which have been validated by Network Rail. AC will provide an update to the Board in September 2019 for the December 2019 timetable changes.

AC also introduced a paper on rolling stock. TfW is currently working with TfW Railway Services to close the gap between current fleet availability and the requirements needed to implement the May timetable. The expected delivery of class 769s has been put back, but one unit is expected in the beginning of March. The delivery of 153s is currently on schedule. Other rolling stock options are being explored if required.

TfW is also putting in a plan to ensure compliance with PRM requirements which has involved discussions with DfT. Once the plan is agreed, TfW will discuss with the Welsh Government.

***ACTION: JP to discuss PRM plan with the Welsh Government at a future Operational Board meeting.***

**c. CVL transfer**

The Board noted a paper on CVL transfer. AC explained that at March's meeting, the Board will be asked to consider the CVL transfer business case to ensure that the process is complete by September 2019.

**d. IMLR (Infrastructure Manager of Last Resort)**

AC presented a paper setting out the proposed approach to ensuring a facility for an Infrastructure Manager of Last Resort (IMLR) capable of providing infrastructure management services for the CVL should the ODP ever fail.

The Board endorsed the paper's recommendations, based around the creation of a separate shell company owned by the Welsh Ministers but run by TfW. TfW will take the recommendations to the Welsh Government for endorsement.

**e. Analytical Unit Business Plan**

PC joined the meeting to present the Analytical Unit Business Plan. GO explained that the business plan is based on a Welsh Government business case and sets out activities that the Welsh Government expects TfW to carry out, with associated financial information.

The Board approved the business plan subject to approval Tfw's corporate business plan for 2019-20.

**f. Business Plans**

GO introduced the updated Tfw Business Plan for 2018-19 which was based on the Welsh Government's remit letter received on 4 December 2018, covering the period 1 October 2018 to 31 March 2019. The Board approved the Tfw Business Plan covering the period 1 October 2018 to 31 March 2019.

GO also introduced the two-year business for 2019-21 and explained that the plan is still work in progress and will have an internal Corporate Plan sitting behind it. GO also explained that he is looking to set up two workshop strategy planning days for Tfw's Senior Leadership Team and the Board.

JP suggested linking the business plan's main activities to individual objectives. This would ensure that both the business plan is delivered, and that Tfw staff know exactly how they are contributing to it. The People Committee will be considering objective setting.

The Board agreed the proposed way forward for business planning and that the draft Business Plan for 2019-21 be shared with the Welsh Government.

**g. Accommodation**

GO introduced a paper updating the Tfw Board on the Tfw Office currently under construction in Pontypridd. The paper sought delegated authority from the Board to Tfw Executive Directors to sign the Agreement for Lease on its behalf, if required before March's Board meeting.

The Board agreed to delegate authority on condition that the financial information set out in the paper does not materially change.

**h. Communications**

LB presented the main headlines from the Communications Grid. LB explained that Tfw is now measuring brand perception, which has seen consistent improvement over the last few months. Benchmarking shows that Tfw is currently ahead of other regional operators and is comparable with GWR. Work is underway to determine other brands to benchmark against.

Overall, this month's media coverage has been positive and there has been a particularly low period of complaints.





***ACTION: LB to provide information on complaints***

SW left the meeting and JP took over as Chair.

**i. Milestones**

GO reported that good progress is being made on milestones. LY will be reviewing the milestones as they relate to HR issues.

**j. KPIs**

GO gave a verbal update on the development of the KPI process. KPIs will be shared with the Welsh Government through the Operational Board. JP asked for a trendline to show current TfW performance and where it would like to be in the future.

**k. Any Other Business**

JP stated that a paper on TfW legal support will be tabled at a future Board meeting.

***ACTION: JM to provide a Board paper on legal support for a future Board meeting.***

The Board were thanked for their attendance. The next TfW Board meeting is scheduled for Thursday 21 March 2019, at South Gate House, Cardiff.

