



**Transport for Wales Board Meeting – Minutes**

10:00 – 16:00; 18 April 2019

South Gate House, Cardiff

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**Present:**

Scott Waddington (NED & Chair) (SW)

James Price (CEO) (JP)

Sarah Howells (NED) (SH)

Nikki Kemmery (NED) (NK)

Heather Clash (TfW) (HC)

Alison Noon-Jones (ANJ)

Gareth Morgan (Secretariat) (GM)

The following attendees from Transport for Wales were present for Part C: Karl Gilmore (KG); David O’Leary (DOL); Lewis Brencher (LB); Dafydd Williams was present for Part C item a; Paul Chase (PC) was present for Part C item g; Leyton Powell (LP) was present for Part A 2(b) of the meeting

**Part A: Full Board Meeting**

**1) Introduction**

The Chairman welcomed members of the Board to the meeting.

**a. Apologies for Absence**

Alun Bowen Non-Executive Director, Geoff Ogden (Part C), Alexia Course (Part C).

**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 21 March 2019 were approved as a true and accurate record.



## 2) Safety

### a. Safety moment

GM shared a Safety Moment regarding a personal incident involving a slip resulting in injury. It emphasised the importance of holding handrails when on stairs where available

NK stated that where handrails are provided it is important that they contrasted with background to be easily noticed.

### b. Rail Services Presentation

Leyton Powell gave a presentation to the Board on Rail Services safety systems and proposals for future development and improvement of Safety Performance.

The Board endorsed the approach being taken particularly the integration of approach to common areas of interest and provision.

The matter of train doors being forced was raised and it was considered that all staff and passengers were made aware of the BTP emergency number.

***ACTION: LP to ensure that all staff were aware of BTP Emergency Number.***

### c. Safety Report

GM summarised safety performance for the period focusing on the additional aspects not covered in LP's presentation. The Board's attention was drawn to the refreshed level crossing information which anecdotally appeared to show a correlation between good weather and increased trespass. The key crime statistics were also noted, and this emphasised the importance of the visibility of BTP contact numbers. GM stated that benchmarking KPI's had been provided against other Train Operating Companies for SPADS but a more complete set of comparisons would be provided at the next Board Meeting when the data was available.

## 3) Strategic / Development update

### a. CEO's report

JP provided a summary of his CEO's report, stating that the overall message is positive and that TfW continues to make good progress, particularly regarding medium and long terms plans. However, teams are guarding against complacency. SW stressed that the Board needs assurance that there will be no surprises and that if problems arise, early warnings are given and can be effectively dealt with and that the Board can provide support if necessary.

JP provided an overview of the Passenger Time Lost calculation and informed the Board a more detailed explanation would be provided later in the meeting.

The Board discussed timing and how to engage with the public on the introduction of new rolling stock. JP informed the Board that TfW was able to fund the additional 769's



from existing budgets. It was also explained to the Board that we were working closely with Rail Services on rolling stock.

JP provided the Board with an overview on progress that had been made on negotiation of the funds necessary to operate, maintain and renew the CVL infrastructure. The Board supported the position of not escalating disputes during this stage of the negotiation process.

JP provided an update on staff engagement and relations. It was agreed that dwell time was the most important matter being currently considered. JP stated that there were good relationships between Welsh Ministers and rail unions. It was therefore agreed that JP should approach Ministers for a letter of support to be sent to the unions.

***ACTION: JP to raise letter of support at his next meeting with the Minister.***

JP complimented the finance department in closing the end of year accounts so diligently at the same time as introducing a new finance system. Elaboration was provided on how unusual it was to achieve such a complex IT transition so smoothly with references to other public bodies that had failed.

It was explained that the budget process with the Welsh Government was ongoing and that interim funding had been provided with the anticipation this would be resolved within a two to three-month window and that there were likely to be budget challenges.

[REDACTED]

[REDACTED]

An update was provided on the Transport Change programme and an explanation was provided on the potential difficulties in transferring some of the services. A decision from the Welsh Government as soon as possible would help inform proper planning for any transition.

**b. Sub-committee Reports**

HC provided an update on the ARC Committee Meeting including the approval of TfW risk policy which was presented by DO'L. The Board were informed that the internal audit Plan for 2019/2020 was to be discussed at the next ARC meeting. The ARC Chair had confirmed the appointment of the external Auditors, KPMG which the Board had previously approved.

ANJ provided an update on the matters considered by the People Committee.

SH provided an update on the matters considered by the Customer and Communication Committee.



NK provided an update on the matters considered by the Health, Safety and Wellbeing Committee explaining that it hadn't met since the last update but that the top ten risks would be considered at the next meeting in May.

It was agreed that more time should be given to Sub-committee progress at future Board meetings.

***ACTION: JM to provide more time on the Board agenda for updates.***

#### **c. Steering Board Update**

SW explained that TfW's risk register was shared with the Welsh Government and explained that four to five risks would be considered at future meetings to provide reassurance to the Welsh Government. It was also explained that in the future, the meeting's agenda will be flexed to reflect attendance. It was explained that Brexit was a matter of discussion at the last meeting.

JP stated that TfW's remit on Bus would need to be raised with the Welsh Government to provide absolute clarity over accountability.

SW considered that in future the next item (Finance) should be reported after the CEO Report as both items were interlinked.

***ACTION: JM to change order of the Agenda to put Finance after CEO Report.***

#### **d. Finance**

HC introduced the highlights from the finance report, March 2019 management accounts and draft end year position.

HC supported JP's position on how well the team had performed in delivering the spend to the predicted budgets but explained that a certain amount of the spend had been associated with accruals which had to be audited and agreed by KPMG. HC stated that the team had been diligent in the application of the accruals process, but the final interpretation of the standards was with KPMG.

HC re-iterated JP's concerns over future budgets. An update was provided on the roll out of the finance system - Dynamics - and the requirement for all colleagues, with minor exceptions, to complete timesheets. The purpose of timesheets is to ensure that costs are allocated to the correct budget line.

HC explained that workflow processes were being adopted for payments and authorisation to improve the efficiency of the company and reduce the reliance on key individuals being in the office.

TfW is currently only using the finance and operations module of Dynamics but has a full licence and hence other modules may be adopted in the future if they are fit for purpose.



The Board was informed that e-payslips were being trialled and that the existing provider was being used to provide this service with future plans subject to procurement rules and processes. The future provision of banking services was also likely to be reviewed and re-procured in future.

**e. Governance**

SW stated that he had started to look at Board governance after discussion with other Arm's Length Body Chairs. He considered that in future Non-Executives should periodically meet without the presence of the Executive Directors.

***ACTION: JM to work with other Board Secretariat and the Chair to determine, the length, agenda, format and timing of such meetings.***

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

JP raised the consideration of the Bus issues raised earlier.

***ACTION: JM to add an item on Bus to a future Board Agenda.***

**4) Any Other Business**

No other matters were raised.

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

**The Board discussed one confidential HR matter which is minuted separately.**

**Part C – Operational update session**

**a. PTL Presentation**

Dafydd Williams gave a presentation on Passenger Time Lost and how this measure was calculated in accordance with the Grant Agreement with the ODP. JP informed the Board that whilst he considered this a significant improvement over PPM, the performance team would need to be vigilant to perverse incentives or behaviours developing.

**b. Communications**

The Board received a preview of the TfW video advertisement which would be released in the next few weeks on the television and social media.

LB took the Board through the Communications report and some key statistics highlighting the positive sentiment regarding TfW continued to improve.

SH raised the question on whether a more proactive approach could be taken to the use of social media such as used successfully by Air New Zealand who only advertise via social media. LB then elaborated on some of the proactive social media engagement being undertaken by TfW. It was agreed however that it would be worthwhile investigating how



other businesses including Air NewZealand have proactively used social media and its application to TfW's business.

***ACTION: LB to investigate the approaches of other businesses to social media and consider its applicability to TfW's business.***

LB discussed concerns over the possible negative publicity regarding the roll out of concessionary fares as much of the roll out was in the control of third parties outside of the control of TfW. It was agreed that LB should in conjunction with the bus team consider contingency plans and associated media.

***ACTION: LB to consider mitigation plans and messaging in conjunction with the bus team.***

LB recognised and apologised that he had previously informed the Board that performance data would be presented in calendar format rather than in Railway Periods. He stated that this would be changed for future Board reports.

***ACTION: LB to ensure that future Communication Reports are in Calendar format and not Railway Period format.***

#### **c. Key Risk and Mitigations**

D'OL presented the Board paper on risk and highlighted the risks that had changed since the register had been last presented.

A couple of hazards were reduced because of the delay in Brexit. The severity of one risk was increased as a result on the on-going negotiations regarding OMR funding and the scale of the difference on the level of funding. The risk of terrorism was taken out of the register to be considered separately but aligned with the Government's current alertness rating

***ACTION: DO'L to revise the risk Register and advise the appropriate staff of changes.***

#### **d. Progress against milestones**

HC took the Board through the amber items on the corporate milestone tracker. KG highlighted the non-corporate red and amber milestones with the Board. The delay and branding of rolling stock was discussed. JP asked that an action be placed with AC on the external branding of rolling stock.

***ACTION: AC to advise the Board on the position regarding the external branding of rolling stock.***



KG informed the Board of a new issue regarding a gas main at Llanwern and this was to be considered in the value for money review of the scheme.

The position of services to Ebbw Vale was discussed and it was considered that this should be highlighted with the Welsh Government.

***ACTION: LB to advise Andrew Johnson about the Ebbw Vale issues.***

***ACTION: GO to ensure issue has been discussed and minuted at the Operational Board.***

**e. Media Transfer Protocol**

DO'L presented the paper on the transfer of the media advertising contract from the ODP to TfW. It was stated that the ODP was content with the transfer of the contract.

It was explained that there was an option to extend the existing contract and the existing supplier had offered a price for a seven-year extension. It was considered that the revenue from the contract was not being maximised and there were opportunities to improve this going forward. It was explained that a consultant had been commissioned to look at the potential sponsorship and advertising opportunities. SH asked why Rail Services wished to novate this contract and DO'L explained that this was not part of their core business but there was no clear explanation and due diligence would be undertaken in advance of any agreement. JP stated that this was in-line with Welsh Government aspirations for non-core services operated by the ODP.

GM queried whether a tender exercise could be undertaken in advance of the transfer and D'OL stated that this would be considered as it would help provided clarity on the on-going benefit in addition to the offer made by the incumbent. The Board agreed that this matter could be considered further, and a procurement exercise undertaken. D'OL agreed to bring a further paper back to the Board before committing to the transfer.

***ACTION: DO'L to present a paper to the Board regarding the transfer of the Media Contract once future benefits were more clearly understood.***

**f. Business Consultancy Services - Procurement**

GM provided the Board with an update on the procurement of Business Consultancy Services. It was explained that the assessment of one of the lots had been completed but the other was on-going. The timescales for the services requiring the contract to be awarded before the next meeting. It was therefore agreed to delegate the ability to the award of the framework contract to the Executive if the contract was in a position to be awarded before the next Board meeting. It was noted that as the framework contract had zero value in its own right the delegation to the Executive could be interpreted as already being at Executive level. However, the Executive wanted Board clearance at this stage as over its life, the potential framework value could increase above their delegation limit.



**Approval:**

**The Board approved the delegation to the Executive team to award the contract.**

**g. Analytical Unit Procurement**

PC joined the meeting to present the procurement report and seek Board approval to award the contract to the highest scoring bidder. PC provided the Board with clarity on the sources of funding for the contract.

**Approval:**

**The Board approved the award of the contract for the South Wales lot to the highest scoring bidder and agreed that the Executive be delegated to award the contract for North Wales because of the timescales involved.**

**h. Annual Report Update**

HC presented the Board with an update on the production of the Annual Report and explaining the timetable and process for its production including the ownership of various sections. HC asked that all NED's provide an update to their biographies asap to ensure the timetable was achieved.

***ACTION: HC to send out existing biographies as a start point.***

**i. Framework Agreement Update**

HC provided the Board with an update on the work being carried out on the development of the Framework Agreement by JM.

**j. Any Other Business**

- i JP raised the issue on the communications around Class 37

***k. ACTION: LB to consider the approach to communications.***



- iii Location of future meetings was discussed and it was agreed this would be reviewed

***ACTION: JM to discuss location of future meetings with Chair.***



**The Board were thanked for their attendance. The next TfW Board meeting is scheduled for Thursday 17 May 2019, at Sardis House, Pontypridd.**