

**TfW Board minutes December 2019**

09:30 – 16:30; 18 December 2019

South Gate House, Cardiff

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**Attendees**

Scott Waddington (SW) (Chair); James Price (JP); Heather Clash (HC); Sarah Howells (SH); Nicola Kemmery (NK); Alison Noon-Jones (ANJ); Alun Bowen (AB); Vernon Everitt (VE); Gareth Howells (GH) (items 1-3); and Jeremy Morgan (Secretariat). Rick Fisher (TfW Rail Services) (item 1); Andy Carney (items 1-3) and Natalie Rees (item 6i).

Operational update session (items 5-11): Alexia Course; Geoff Ogden (GO); David O’Leary (DOL); Lewis Brencher (LB); and Lee Robinson (LR).

Apologies: Lisa Yates (LY) and Gareth Morgan (GM).

**1. Presentation on winterisation and de-vegetation**

The Board were updated on the latest strategy and measures for dealing with winter issues including the upgrading of response teams from station officers to Winter Response Teams. The Board discussed the potential merits of using existing gritting providers for station roads and car parks.

The Board were also introduced to a proposed new vegetation management system using artificial intelligence video technology which picks up occasions of trees, shrubs etc encroaching on the railway, as well as providing evidence of trespassing. A business case for full deployment is to be drafted.

The Board highlighted that it was difficult to determine how customers can report incidents such as station cleanliness issues.

**Part A – Full Board Meeting**

**1a. Apologies for Absence**

AB was only available for items 1-3 and gave apologies for the remainder of the meeting. ANJ declared she would need leave the meeting before lunch.

### **1b. Notice of Quorum**

A quorum being present, the Chair welcomed everyone to the meeting and declared the formal part of the meeting open.

### **1c. Conflicts of Interest**

None declared.

### **1d. Minutes & Actions of Previous Meeting**

The minutes of the Board meeting 20 November 2019 were accepted as a true and accurate record.

### **2a. Safety Moment**

A recent accident in the proximity of Pontyclun station resulted in the unfortunate death of a woman when struck by a car. The Board were reminded of the need to always be aware of surroundings.

### **2b. Customer moment**

The Board discussed this morning's overcrowding issues on the network which resulted in passengers being left at stations. The Board were also told of good practice from a GWR guard on the London to Cardiff service who kept customers informed every few minutes during a delayed service.

### **3. Safety performance**

The Rail Accident Investigation Branch (RAIB) has produced its interim report on the tragic fatal incident earlier in the year involving two Network Rail colleagues at Margam. The Board were briefed on lessons to be learnt around planning. The RAIB are also undertaking a 'deep-dive' into Network Rail's organisational culture and its impact on safety behaviours. The Board welcomed TfW's recent safety stand-down which briefed staff on the findings of the interim report. TfW has also corresponded with AKIL to set up a joint workshop to identify how to collectively identify and mitigate network risks and to ensure the development of the right culture in light of CVL transfer.

**Action: JM to organise for TfW Rail Services/AKIL attend a future Board meeting to outline their response to the issues raised in the RAIB report**

Six RIDDOR reportable injuries took place this period, along with one Category A SPAD. These will be explored at the next Health, Safety and Wellbeing Committee.

National comparative data is now available, and the Board agreed this would be useful to review.

The Chief Executive informed the Board that most of the correspondence he receives is regarding overcrowding. The Board discussed the subjective nature of the issue and the need to learn lessons from other operators such as Transport for London.

**Action: JP and VE to discuss overcrowding issues on the network, with special regard to the how Transport for London deals with these issues.**

AB left the meeting.

#### 4a. CEO report

JP provided the Board with an update on activities since the last Board meeting. Some significant milestones have been achieved including Welsh Ministers approval to trigger CVL transfer, DfT providing PRM dispensation and progress on securing rolling stock for the December 2019 timetable changes.

Autumn performance is better than last year, but there is still room for improvement. Tyre turning has not yet been required because of the use of Wheel Slip Protection. However, core availability of units is still unacceptable and needs discussing with TfW Rail Services at the next Board meeting. [REDACTED]

The Board were informed that the performance of rail replacement buses is disappointing with issues around local knowledge, and availability of buses at critical times. The issue has been raised with TfW Rail Services.

The Board also discussed replacement concessionary bus passes and the need to determine the required action when a customer tries to use an old card.

**Action: LR to provide details on plans for customers using old style bus concessionary cards**

The Board were keen to understand more fully issues around rolling stock, [REDACTED] and the potential impact of the sale of Amey and asked for papers and / or updates at January's Board meeting.

**Action: AC to provide updates on rolling stock [REDACTED] for January's Board meeting**

**Action: JP to update February's Board on the potential impact of the sale of Amey**

[REDACTED]

[REDACTED]

[REDACTED]

ANJ left the meeting.

#### **4b. Finance**

The Board were updated on activity by the Finance team over the last month with the focus on CVL transfer, catering services transfer [REDACTED]. The Board were also informed that although good progress has been made regarding the plan to reduce the funding gap between Welsh Government funding and TfW's budget 2019/20, it is still critical for a resolution to be found and it is hoped that this would be done by the end of the week. The Chair stated his desire for this to be closed out before the next Steering Board on 15 January 2020.

The Board discussed the need for clarity on funding as being critical, especially when TfW owns the CVL asset.

**Action: SW and JP to raise issue of clarity over funding with the Welsh Government at January's Steering Board meeting**

The Board were informed that an outcome is awaited on whether TfW can partially recover VAT for non-business services. A meeting with HMRC is scheduled for 22 January 2020 to discuss VAT and Tax treatment.

November operational expenditure was at £18.2m of which £15.4m related to Rail and pass through to the ODP. Capital expenditure was at £7m of which £6.7m related to Rail. The Balance Sheet at the end of November had net assets of £0.7m (no significant change within the last quarter). The Board noted the November 2019 Management Accounts.

#### **4c. Board sub-committee updates**

The Board were updated on recent meetings of the Audit and Risk (HC) and Customer and Communications committees (SH). Neither the People nor Health, Safety and Wellbeing Committees met since November's Board meeting.

#### **4c. Steering Board update**

The Chair updated the Board on the most recent Steering Board meeting, with most of the items covered in this meeting's agenda.

#### **5. Any other business**

None raised

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

Alexia Course (AC); Karl Gilmore (KG); Geoff Ogden (GO); David O’Leary (DOL); Lewis Brencher (LB); and Lee Robinson (LR) joined the meeting

### **6a. CVL Transformation Final Tender Price**

The Board were updated on the final tender price (FTP) for CVL transformation. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board [REDACTED] agreed the importance of learning lessons from the on-going Crossrail project.

### **6b – update on Llanwern project**

The Board noted a paper providing an update on the Llanwern project consisting of a Major Events Stabling Line, a new railway station, Park and Ride car park, footbridge and associated infrastructure on land adjacent to the Llanwern Tata Steelworks service lines in Newport.

[REDACTED]

[REDACTED]

[REDACTED] Tfw has proposed to the Welsh Government a revision of the remit that still achieves the key aims. A re-baseline exercise will be undertaken upon completion of rescoping to determine the revised forecast programme and budget. This will be completed at the earliest opportunity in 2020.

The Board agreed that undertaking detailed due diligence and gateways on projects already in flight was imperative before agreeing to take them on.

### **6c - CVL Asset Transfer & Tfw liabilities position**

The Board noted a paper setting out the (i) allocation of financial liabilities for the CVL (ii) clarity of responsibilities (iii) operational readiness status and (iv) AKIL financial standing. The paper confirmed that:

- financial liabilities associated with the CVL transfer and its ongoing operation, maintenance and renewal (OMR) have been communicated to the Welsh Government via the Final Business Case, various other papers and inputs to Ministerial Advice Notes;
- in the context of the operation, maintenance and renewal of the CVL, Schedule 3A of the Grant Agreement sets out the obligations of the parties;
- AKIL has made good progress on all aspects of operational readiness which gives positive assurance, with monitoring and tracking of operational readiness now a core focus of TfW weekly review meetings with AKIL;
- TfW has repeated a series of Financial Standing Tests performed on the ODP Parent Companies during the procurement period. Amey UK plc now fail three of the four tests based on their 31 December 2018 financial results. [REDACTED]

[REDACTED] TfW has an additional risk management mechanism in place through the Infrastructure Management of Last Resort (IMLR) monitoring activities throughout the infrastructure management contract term. TfW and its advisors continue to actively monitor and analyse the financial standing of Amey UK. [REDACTED]

[REDACTED]

[REDACTED]

#### **6d - Communications**

Brand index scores over the previous period show a tight correlation with operational performance and although the score is still positive (0.1) and better than last year, there is much room for improvement.

Marketing has continued to support the awareness of and call to action to renew bus concessionary passes, with the latest figures on renewals suggesting that this has had some success.

The Board were informed that there have been significantly fewer rail related customer and stakeholder contacts compared to the same period in 2018.

The first Advisory Panel is scheduled to take place in early 2020.

#### **6e - Progress against milestones**

The Board agreed a proposed new design for programme and corporate trackers which aim to give clarity on the most important and complex items.

#### **6f - PTI Cymru**

The Board discussed a paper outlining the current arrangements and background to Public Transport Information (PTI) Cymru. PTI Cymru, trading as Traveline, is a public transport information service partly funded by the Welsh Government. Funding responsibility for services such as for PTI Cymru is expected to be transferred to TfW from Welsh Government as part of the Future Integrated Transport Programme in 2020. The Board agreed the paper's recommendations to consider TfW's future relationship with PTI Cymru.

**Action: DOL to take forward recommendations in the PTI Cymru report**

[REDACTED]

#### **6h - TfW Risk Register**

The Board were updated on several changes to the risk register since the last meeting including a new risk on CI769s being delivered in time for the May 2020 timetable

#### **6i - Biodiversity & Resilience of Eco-Systems Duty Report**

NR joined the meeting. The Board approved TfW's first Biodiversity and Resilience of Ecosystems Duty Report which has been produced to comply with the duty public authorities must prepare and publish a plan setting out what they propose to do to maintain and enhance biodiversity and promote resilience.

#### **6j - Customer Experience KPI dashboard**

The Board noted the latest data in the Customer Experience KPI dashboard, with the main headline relating to train performance having a detrimental effect on customer satisfaction.

**Action: AC to produce a one-page review and preview of rail operational performance for future meetings**

#### **6k - Advertising Media Contract**

The Board noted a paper summarising the recent procurement for an advertising media contract. In February 2019, TfW were asked to consider a request by TfW Rail Services to take ownership of the media contract directly. TfW

Board approval was received in March 2019 to undertake a procurement exercise. One bid for the contract was made but was non-compliant. Expressions of interest were made by two further bidders, but they declined to continue in the bidding process.

Consequently, the tendered submission has been rejected and the process ended with no outcome. The TfW team have considered appropriate next steps for this process and have ended interest in taking advertising into TfW control. Instead, efforts will now be made to deliver the tender objectives through TfW Rail Services' existing contract.

#### **6l - Pontypridd Office**

The Board gave approval to sign the Agreement for Lease for the Pontypridd office.

#### **6m - Corporate Plan update**

The Board were updated on the development of TfW's Corporate Plan, with an aim to publish in early 2020.

<b>Action: GO to share the draft Corporate Plan with Board for comment</b>
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#### **6n - Any other business**

The Board wished to express their thanks to the TfW team for dealing with several large and complex tasks over the last year.

The Chair closed the meeting, wishing everyone a good Christmas and New Year.