

**TfW Board minutes – 21 January 2021**

10:00 – 16:30

Meeting venue: online

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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); Vernon Everitt (VE); Alun Bowen (AB); Gareth Morgan (items 2b-2c); Natalie Feeley (items 1-3) and Jeremy Morgan (Secretariat).

Operational update session (Part B): Geoff Ogden (GO); David O’Leary (DOL); Lewis Brencher (LB); Lisa Yates (LY); Lee Robinson (LR); Alexia Course (AC); Karl Gilmore (KG); Gareth Morgan (GM) and Dave Williams (DW). Natalie Rees (NR) joined for item 5a and Matthew Gilbert for item 5b.

**Part A – Full Board Meeting**

The Chair welcomed everyone to the meeting and wished them a happy new year.

**1a. Apologies for Absence**

Lisa Yates (Part B)

**1b. Notice of Quorum**

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

**1c. Conflicts of Interest**

None declared.

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

The minutes of the TfW Board meeting 17 December 2020 were approved as a true and accurate record. The Board noted a paper benchmarking bus replacement service costs.

**2a. Safety Moment**

Network Rail were recently fined £135k for an incident several years ago relating to a teenager who went on top of a train and was electrocuted. Network Rail were fined because the fencing was inadequate. It was noted that TfW needs to take all necessary precautions that natural barriers to entering the network are not compromised during CVL transformation.

**2b. Customer moment**

The Board were reminded of the need to ensure face coverings are worn at all times and the risks of letting standards slip.

## **2c. Safety performance**

GM joined the meeting to provide a safety performance update. Performance has remained good in terms of accidents and incidents. However, two SPAD incidents were reported in the previous period. The Board were provided with details of the two incidents and how they are investigated. It was agreed that the Health, Safety and Wellbeing Committee would review in more detail at its next meeting. GM was asked to identify best practice from other TOCs on managing SPADs [**Action GM**].

Planning continues around any potential move back to office working with finalisation of onsite arrangements. Plans will be reviewed against Welsh Government guidelines. Support work continues with the transfer of Axis Cleaning staff to TfW - generic fleet cleaning risk assessments have been completed against activities identified within Rail Service's Fleet Cleaning Manuals.

The review of the provision of Personal Track Safety competencies continues with TfW's application for 'Sentinel with Exemption' status being submitted.

Preparations are commencing for the Time to Talk Day on 4 February in association with Mind Cymru / Time to Change.

No RIDDOR or 'more than seven days lost' accidents have been reported for the last 13 successive periods and the fatality weighted index for accidents is still trending down. Anti-social behaviour remains high and various mitigations are being considered. Enforcement of mask wearing continues to improve but there are still between 200 and 300 people per week being refused travel because of not wearing a mask. Since recording started in August 2020, over 6,000 people have been refused travel. The Board inquired as to whether any analysis been carried out on the demographics of people refusing to wear masks. The Board were informed that only anecdotal evidence exists.

Regarding infrastructure (CVL transformation and infrastructure management), no staff or contractor accidents were reported during the last period. Close calls reporting remains high which is positive as issues are being picked up before they cause an accident.

The Board were updated on action taken to further improve safety at level crossings. The Board emphasised the need to ensure TfW is not held to ransom with existing processes and practices which may have been in place for many years but might be inadequate.

## **3a. CEO report**

The Board were informed of senior management changes due GM's planned retirement.

JP shared his intention that 2021 needs to be the year that TfW becomes more multi-modal and more strategic on how everything within TfW's remit integrates, especially around bus and active travel. The Board were asked to hold JP to account to ensure this happens.

Mobilisation of Transport for Wales Rail Limited is progressing well in preparation for the transfer of rail services from Keolis Amey to the new company on 7 February. The appointment of a Managing Director is progressing well. Five applicants were interviewed this week with two shortlisted.

A further priority is to ensure Transport for Wales Rail Limited and TfW Group responsibilities are clearly defined. Some operational functions will sit at the TfW Group level and some functions potentially covering a range of transport modes not solely focussed on rail. The Board inquired as to whether catering and cleaning services should be taken back in by Transport for Wales Rail Limited. It was stated that these arrangements were put in action before the new arrangements were on the table. NF stated the need for consultation and getting early buy-in on any future

changes. The Board agreed it would be appropriate to have a day-one structure and to set a period of time over which to review it with a view to developing a strategy for an integrated organisation. The Board also emphasised the need for sight of a digital strategy and requested an update at the next meeting [Action DW]. The Board agreed to review the business plan and strategy a few months into the new arrangements.

Good progress has been made on the CVL transformation programme, with effective use of the reduction in travel due to the lockdown to introduce a three-week blockade north of Radyr station. Teams have conducted troughing, ground investigations, vegetation management and several renewal projects.

Bus and Active Travel are areas that will both be of critical importance in delivering a transport system that is integrated and works effectively. Good progress is being made on what is needed to create a better and more integrated bus system and therefore what is required from the Welsh Government, local authorities and operators. The Board were mindful however, that there is still a lot of work required to ensure that the responsibilities and objectives of different organisations are designed to meet policy aspirations.

Work is also on-going with the Welsh Government, DfT and Network Rail to consider how to better position Wales to secure UK Government investment funding on the heavy rail network. The Board were notified of an agreement to a regular Wales investment meeting bringing together all bodies which will act as the strategic filter and as a planning body for funding requests to the UK Government. The Board were informed that this is an important issue as evidence is increasingly pointing to the English regions being most successful at attracting UK Government funding being those that act with one voice across all parties. Aligned to this, a small number of Network Rail staff will be seconded into TfW teams to support this programme. In addition, an agreement has been reached to renew the way that Network Rail and Transport for Wales Rail Limited will work together post 7 February to maximise efficiency and effectiveness.

### **3b. Finance and governance**

The Board were updated on progress being made across three key finance areas: Transport for Wales Rail Limited mobilisation, arrangements for year-end and bringing in new services including cleaning, active travel grants and bus initiatives. As part of the Transport for Wales Rail Limited mobilisation work there is considerable focus upon exiting the existing fuel hedges, setting up new fuel hedges, transfer pricing for services including TfW Innovation Services Ltd, banking arrangements, the new entity set up regarding financial systems to ensure continuity of supply and payments, audit assurance including net asset settlement and fixed asset due diligence, pension arrangements and emerging risks and mitigations.

Work is also on-going to align TfW and Transport for Wales Rail Limited's delegations matrix to TfW's Articles of Association, management agreement and public sector standards. Other governance changes are being implemented around conflicts of interest, gifts and hospitality and Freedom of Information to bring Transport for Wales Rail Limited in line with public sector standards.

The Board noted December's management accounts. The forecast versus prior month has changed significantly. The current forecast is an interim forecast and is subject to further change due to discussion surrounding the Net Assets Settlement for the rail Grant Agreement end which reflects the key change from prior month (-£16m). Prior Month FY Forecast at £405m vs Revised Current FY Forecast at £389m (excluding non-cash items). The Board were advised that this is due to the net asset settlement for the close of the Emergency Measures Agreement and termination of the Grant Agreement leading to the OLR arrangements. This is likely to change again given the variability of the items and discussions with the Welsh Government in terms of treatment. Regarding capital expenditure, the prior Month

FY forecast at £270m versus a revised current FY forecast at £237m (excluding IFRS16 leases accounting treatment adjustment). This is due to capital funding changes to Rail Services. The position has been shared with the Welsh Government.

In the month (December) resource expenditure spend was at £33.9m (excluding non-cash) of which £32m related to Rail, the majority of which is passed through to the ODP. Capital Expenditure was at £15.6m of which £15.5m relates to Rail.

### **3c. Update on sub-committees**

The Board were updated on recent meetings of the Major Change Projects Committee and People Committee.

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

LB, LR, AC, KG, DOL and GO joined the meeting. The Chair welcomed members of the Executive to the meeting.

#### **5a. Sustainability update**

NR joined the meeting to provide an update on sustainability issues. The Green Routes Biodiversity Project includes £100k National Lottery funding to enhance local biodiversity at and near 22 stations, along with five community projects.

Over the last year 20 internal SD Champions have volunteered to champion the future generations agenda across TfW.

The Board were advised that TfW's carbon footprint has decreased by 30% over last 12 months mainly because of reduced services and office closures. The Board requested reporting on measures relating emissions per passenger mile travelled or similar [**Action NR**]. The Board were informed that waste levels on the network had not reduced as anticipated due to fly-tipping incidents.

The first meeting of the Sustainable Development Advisory panel took place in December.

#### **5b. Active Travel update**

MG joined to provide an update on Active Travel activity. The Board were reminded that TfW is taking on administration of £50 million of Active Travel Grants for local authorities on behalf of the Welsh Government from 1 April. The portal for submitting funding requests and grant management system has been developed and is live for applications, scoring, management information reporting, and claims/payment approval.

Partnering with Sustrans, TfW is also providing support and advice for local authorities. The scheme will end in March 2021 but could extend for a further 12 months covering scheme development and bid application, preparing advice, travel network maps, evaluation and monitoring and consultation and engagement, providing advice and support on the active travel elements of the NW Metro and looking at how to support Cardiff Central scheme.

The Board were informed that analysis has been carried out to determine cycling patterns during lockdown periods. The first lockdown in Spring/Summer 2020 saw a significant increase in cycling activity, but with little evidence of journey reason. Activity has now reduced. The Board stressed the need to ensure active travel is integrated across all transport modes and not seen as peripheral.

#### **5c. Rail Futures update**

The Board were further updated and discussed progress with mobilising Transport for Wales Rail Limited. A discussion took place around the need to clarify TfW and Transport for Wales Rail Limited roles and responsibilities but to also create an integrated TfW. The Board were advised that there is an evolving picture of where functions will

sit within the TfW Group. It was confirmed that only safety policy will be removed from Transport for Wales Rail Limited, with responsibility for the safety certificate remaining with the TOC. Further opportunities for joining up services are being explored with the fundamental underpinning principle of allowing Transport for Wales Rail Limited to focus on delivering services with minimal distractions.

The Board were introduced to proposed changes to the structure of Senior Leadership Team meetings which will allow for focussed meetings around network development including the capital programme, rail integration and corporate services. It was confirmed that safety and future generations would feature as a thread across all the groups.

#### **5d. Communications**

There has been a continuing improvement in brand impression (+13.8) which is reflective of positive media coverage and marketing campaign on the capacity checker for December. The train naming project has gathered pace and is in the final stages of being launched. December saw engagement across social media accounts remain steady as the continued lockdown restrictions resulted in fewer people travelling, providing low number of reactive contacts from customers. Although there was a slight reduction in the number of proactive posts and news stories during the Christmas period, there remained a high level of engagement. December's highest reach was for the Season's Greetings video, which included sneak preview footage of the new tram-train mock-up being stored at Taff's Well.

#### **5e. Risk Register**

The Board were updated on minor changes to the risk register. The Board noted that a review of TfW Rail risks will take place in early February to understand the profile of the organisation. Whilst accountability for these risks will be managed by the Transport for Wales Rail Limited Board, it is possible that some will be escalated up to TfW. An update will be provided to the Board following completion of the review. The Board discussed lack of progress in having an agreed set of company Articles and framework document. It was agreed that this should be escalated at the next TfW Steering Board.

#### **5f. Bus update**

The Board were updated on the work and key risks of the nine bus workstreams.

#### **5g. Infrastructure programme six-month lookahead**

The Board reviewed the CVL transformation dashboard providing an update on progress and key risks. The Board were also updated on progress made during January's three week blockade. A discussion took place on ODP resource levels, Amey's design programme, train operation dwell times and a recent ransomware attack on Amey.

#### **5h. Trackers**

The Board reviewed and noted progress of key corporate projects and programmes.

#### **6. AOB**

[Redacted content]

[REDACTED]