

**TfW Board minutes November 2019**

10:00 – 16:30; 20 November 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) (items 6a-6k); Gareth Howells (GH) (items 1-3); and Jeremy Morgan (Secretariat).

Operational update session (items 5-11): Geoff Ogden (GO); David O’Leary (DOL); Lewis Brencher (LB); Lee Robinson (LR); Gareth Morgan (GM); Lisa Yates (LY); and Kate Avery (KA), Gary Forde (GF) and Phil Rawlings (PR) (item 6c).  
Apologies: Alexia Course and Karl Gilmore.

**Part A – Full Board Meeting**

**1a. Apologies for Absence**

Vernon Everitt (items 1-5); Alexia Course and Karl Gilmore sent their apologies for items 6a-6k.

**1b. Notice of Quorum**

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

**1c. Conflicts of Interest**

None were declared.

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

The minutes of the Board meeting 23 October 2019 were accepted as a true and accurate record subject to a minor amendment and an explanation of GH’s role on the Board.

The Board were updated on progress against several actions from the previous meeting.

GM joined the meeting

**2a. Safety Moment**

The Board were notified of a recent cable strike at the works in Taffs Well and were informed that elsewhere in the UK, a company was recently prosecuted for a similar incident because it resulted in an injury. Although the incident in Taffs Well did not cause any injury, it does not mean that such incidents should be treated lightly.

A full report on the Taffs Well incident has been completed which identified several issues for which corrective and preventative action is being taken to reduce future risk.

## **2b. Safety performance**

The Board were updated on progress against several health, safety and wellbeing actions from the previous meeting. Action has been taken to map out core safety risks and accountabilities, with the combined risk register reviewed and scrutinised at the recent Health, Safety and Wellbeing Committee meeting. An overview of duty holders and accountability has been mapped, but it was agreed that NK and GM should clarify and simplify outside of the meeting. The Board were informed that TfW is facilitating a meeting of the ODP and all IDPs to reinforce safety responsibilities.

**Action: NK and GM to clarify safety responsibilities mapping and re-submit for review at December's meeting.**

The Board discussed action taken to mitigate incidents around vegetation management. This included a formal letter to Network Rail, investigations by, and local meetings between, TfW Rail Services and Network Rail, and the creation of a Vegetation Management and Risk Reduction Group. Action has been taken in several areas to address issues around third-party trees, incident reporting and the use of technology for quicker reporting and intelligence gathering. The Board emphasised the need to ensure TfW's approach to vegetation management is clearly articulated prior to CVL transfer. It was confirmed that clearance will need to be six metres, but banks will need to be stable and potential impacts communicated to affected householders.

**Action: GM to ensure TfW's approach and policy towards vegetation management on the CVL is clearly articulated**

The Board discussed a Joint Safety Improvement Plan (JSIP) which has been created between TfW Rail Services and Network Rail and includes level crossings, signals passed at danger, passenger accidents and communications. The Board were also informed of the possibility of utilising virtual reality technology to educate schools over the dangers of electrification.

With the transfer of catering services approaching, workplace assessments have been conducted at service centres in Newport, Carmarthen and Shrewsbury. Action will be taken to modernise where required. Food Standards Audits will be carried out, but no physical works can be undertaken until TfW can gain access to the centres from 5 January 2020.

A visit to Sheffield tram took place to understand challenges faced with driver training and competence. A follow up visit from Croydon Trams will take place on 19 November.

The Board were also updated on progress towards achieving the Corporate Health Standard; the Fatigue Management Steering Group; and monthly internal safety briefs.

One Category A SPAD was reported in the previous period and three RIDDOR reportable employee injury accidents. The Board inquired as to whether assessments had been carried out to identify whether the same people were being targeted for assaults. It was confirmed that there is an even distribution of incidents with alcohol usually a common factor. The Board were also informed that body cams were coming into use with a planned further roll-out until all train crew are equipped.

GM left the meeting.

### **3a. CEO report**

JP provided a summary on his take of the business over the last month. Autumn performance is currently better than this time last year with a 60% reduction in wheel flat issues. Prevention measures adopted for this year seem to be working. However, fleet availability could be better and there have been some significant daily variations. It was noted however, that fleet availability has only been low for one day and response is improving. PTL is generally worse than the target, but this appears to be linked to general unit availability and infrastructure rather than being driven by Autumn performance. A plan is in place with TfW Rail Services to deal with PTL.

Plans for delivering December's timetable are progressing. Even with challenges around new fleet, it should be deliverable. A recent meeting with Porterbrook regarding CI769s has resulted in the likelihood of two units being in service before December.

Significant work continues to manage AKIL and TfW Rail Services to be ready to trigger for CVL divestment. Work continues with the original plan with a back-up plan also being progressed.

[REDACTED]

The bus passes renewal programme is progressing well with likely over 500,000 passes processed by the end of November. It was emphasised that although good progress has been made, TfW's future involvement needs managing.

The Board were informed of on-going discussions with the Welsh Government over the gap between TfW's activities (per requests from the Welsh Government) and that set out in April's remit letter and the accompanying funding. Work has been on-going to provide insight against forecasts versus the original funding plan . An action plan has been discussed with the Welsh Government to close the funding gap with various options and solutions.

Work is on-going to obtain third-party advice on the design and implementation of CVL transformation. The Board requested feedback on this work at December's meeting.

**Action: JP to feedback on third-party advice scrutinising the integration and implementation of CVL transformation design.**

### **3b. Finance**

The finance team continues to work across several key activities. The Board was briefed on their work on CVL transfer, catering transfer, the new payroll service and e portal platform and the Future Integrated Transport (FIT) programme. The Board noted the following:

- The use of BI Analytics for reporting is continuing to develop (with the azure platform stood up and work commencing on the data warehouse initially)
- The Finance Team is now fully on board
- Internal audit activity continues at a greater pace now utilising Welsh Government resources (in situ), and other third parties for specialist areas
- The payroll services tender has now completed and been awarded moving into the implementation plan stage to enable e payslips via a portal
- The CVL asset transfer (TOGC and if subject to tax), allocation of central costs, Making Tax Digital, are also items in progress.

Regarding expenditure, October's resource expenditure was at £17.9m of which £15.9m relates to Rail and pass through to the ODP. Capital Expenditure was at £7.4m of which 94% relates to Rail. The Board noted an underspend against budget because of the original assumption that the CVL asset would be transferring in September 2019. The Board also noted a reduction in £5-6m of speculative project related spend and which had not been committed to that the Welsh Government have now agreed that any project activity outside remit would be purchase order driven.

The Board noted the content of the finance briefing and management accounts for October 2019.

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

The Board were updated on progress of TfW Board sub-committees. The Health, Safety and Wellbeing Committee met recently, with most of the issues covered in item 2b. The Board agreed that VE would replace AB on the Committee.

A recent meeting of the Customer and Communications Committee reviewed the data available; it needs to be trended over time to make it more meaningful for reporting. SH reported that he has been receiving weekly updates on bus customer contact.

The Audit and Risk Committee is scheduled to meet in mid-December. AB stated that he would like an early site of the annual report production timeline.

**Action: HC to table a draft annual report production timeline at December's Audit and Risk Committee**

The People Committee has not met since the last Board meeting. The next meeting will discuss a paper on annual pay increases.

### **3d. Steering Board update**

The Chair updated the Board on the last meeting of the TfW Steering Board on 25 October. Items under discussion included revenue support, CVL asset transfer and Welsh Government strategy.

The Steering Board has agreed revised terms of reference which have been endorsed by the Welsh Government's Director General Economy, Skills and Natural Resources, who will chair bi-monthly meetings.

SW reported that he and JP recently met Lord Burns regarding the work of the South East Wales Transport Commission.

## **4. Any other business**

None raised.

## **5. Annual pay increases**

The Board agreed to annual pay increases for two TfW Directors in line with the process for others in the organisation receiving an annual increase as previously agreed by TfW's Senior Leadership Team.

VE (via telephone), DOL, GO, GM, LB, LR, LY, KA, PR and GF joined the meeting.

## 6. CVL update

The Board were updated on the current situation regarding CVL asset transfer set out in accompanying paper. Since the last Board meeting, the team has carried out more due diligence on options available to facilitate the transfer.

[REDACTED]

The Board also discussed issues around indemnity and where financial liability falls for both plans. The Board stressed the need to be sure of readiness prior to transfer.

**Action: VE, Chris Gibb and CVL transfer team to asses readiness before trigger on 3 December**

The Board also discussed AKIL's requirement to buy some services (contestable and non contestable) from Network Rail from the start of the CVL transfer. AKIL has requested relief from poor service by Network Rail for a period of a year as well as several other items. The Board voiced the concern over such a request but requested more detail on the areas for which AKIL would be reliant on Network Rail. None were agreed by the Board with a request to understand further and review with the Chair.

**Action – GF to provide the Board will detail on areas for which AKIL will be reliant on Network Rail immediately following CVL transfer, and where the risk might fall on TfW.**

**Action: GF and PR to put draft paper on the role and remit of the 'independent reporter' including reporting timescales.**

PR and GF left the meeting.

## 6b. Catering transfer readiness

The Board were updated on progress on transferring on-board catering services. The project has made good progress and nearly everything is in place for the transfer in the new year. Pay for staff transferring has been benchmarked and compares favourably across the industry, with staff also benefitting from enhanced terms and conditions such as company sick pay, increased holiday entitlement and increased pension contributions.

KA left the meeting.

### **6c. Concessionary bus pass renewals**

The Board were updated on progress with concessionary bus pass renewals. 412,000 passes have been renewed to date, with the project on course to renew around 500,00 passes by the end of November. This should cover the bulk of active users. TfW has also received around 22,000 paper applications. These have not yet been processed but the Board were informed that a system to deal with these will soon be up and running.

The Board discussed some of the remaining challenges. With renewals progressing well, attention will need to shift to the longer term and the need for clarity from the Welsh Government on TfW's future role in bus concessionary after 31 March 2020, when the agency agreement ceases. TfW has forecast and requested Welsh Government funding for up to the end of January and should the Welsh Government require TfW to continue with concessionary travel this financial year post the end of January 2020, then further funding would need to be provided including agreement for increased remit.

### **6d. Bus vision**

The Board noted a paper drafted by TfW to support a Welsh Government cabinet paper setting out a draft vision statement for bus services in Wales. The Board noted the paper.

### **6e. Assessing major projects / Change Board**

The Board considered a paper outlining plans for a proposed approach for assessing 'major' projects within Transport for Wales and establishing appropriate governance. A 'Change Board', as a sub-committee of TfW's Senior Leadership Team is scheduled to meet for the first time on 3 December and will meet every three weeks. The Change Board will seek to ensure that suitable and sufficient governance arrangements are in place to understand and manage risk associated with projects and programmes across TfW. The Board noted the paper and discussed its potential role in this area.

### **6f - TfW Risk Register**

The Board discussed four minor changes to the TfW strategic risk register. The Board asked for a review of IT security risks. It was stated that an internal audit on this had recently commenced.

### **6g - Customer Experience KPI Dashboard**

The Board discussed the Customer Experience KPI Dashboard. Wavelength scores were missing as there were issues with the datasets. The general satisfaction score is showing there is still much work to be done. Complaints per 100,000 passenger journeys remain high, but it was highlighted that the scores follow a similar trend to that of brand perception and operational performance.

### **6h - Progress against milestones**

The Board discussed the Corporate and Programme Milestone Trackers. In particular, the Board were update on the Future Integrated Transport (FIT) programme. A joint Programme Manager (Welsh Government and TfW) for the project has been appointed. The Gateway Review carried out last week identified five critical recommendations, against which action is being taken, but indicated that in general, TfW is in a good position to receive further functions and activities.

### **6i - Corporate Plan**

The Board were update on progress with the Corporate Plan and agreed to the proposed changes to TfW's Vision and Purpose, subject to agreeing a more suitable Welsh translation of 'proud' in the vision statement; and testing the Vision, Purpose and Strategic Objectives with the wider TfW team. The Board asked for feedback at the December meeting.

**Action: LB to check the Welsh language translation of 'proud' in the vision statement and amend accordingly.**

### **6j - Vegetation Clearance, Management & Fencing for CVL Transformation**

The Board approved to proceed with the procurement of a framework of suppliers for de-vegetation and fencing on the CVL network for the purpose of enabling the CVL transformation programme and ongoing maintenance. The Board stressed the need to ensure that contractors on the framework have the right safety accreditations.

### **6k- Communications**

There was an overall decline in the brand impression over the last period, which dropped to +2.2, which is consistent with a decline in the overall operational performance as a result of Autumn and the impact on customer experience.

Concessionary bus renewals campaign marketing is live across Wales including radio, print media, outdoor and through stakeholder activities. A reminder campaign for those who have not yet renewed their passes will be launched. The Board were also updated on the recent work with the Valleys Task Force.

**Action - LB to update the Board on Advisory Architecture for December's meeting**