

Transport for Wales Board Meeting

010:30 – 16:00; 20 September 2018

Transport for Wales Head Office, Southgate House

Minutes

Present:

Nick Gregg (NED & Chair) (NG)

James Price (CEO) (JP)

Sarah Howells (NED) (SH)

Alison Noon-Jones (NED) (ANJ)

Nikki Kemmery (NED) (NK)

Heather Clash (TfW) (HC)

Gareth Morgan (Secretariat) (GM)

The following observer(s) from the Welsh Government were present for Part A and Part C of the meeting:

Simon Jones (WG Observer) (SJ)

Jenny Lewis (WG Observer) (JL)

The following attendees from Transport for Wales were present for specific agenda items:

Geoff Ogden (Exec) (GO), Alexia Course (Exec) (AC), Karl Gilmore (Exec) (KG)

Apologies:

Martin Dorchester (NED) (MD)

Part A: Full Board Meeting

Notice of Quorum

1. A quorum being present the Chair declared the meeting open. The Chair confirmed that notice of the meeting had been given to each Director who was entitled to receive such notice.

Apologies

2. Apologies for absence were noted and the Chair provided an explanation of MD absence.

Conflicts of Interest

3. The Chair asked if there were any conflicts of interest to declare. No new or updated conflicts of interest were declared.

Minutes of the Previous Meeting

4. The Board reviewed the minutes of the meeting held on 2 July 2018 and 19 July 2018. It was considered that the minutes of the meeting of 2 July 2018 and 19 July 2018 needed some minor alterations and that these should be updated and subject to the minor amendments being made the minutes were approved for publication. The Chair sought progress in relation to the open actions. Updates were received from Board members and it was agreed that a number of actions could be closed.

Matters Arising from the Minutes

5. JP explained in future that the minutes would follow a clearer format.
6. NG stated that the minutes and actions should be issued further in advance of the meeting. It was agreed that actions arising from the meeting should be issued to attendees no later than one week after the meeting. [Action GM to ensure list of actions issued before 27 September]

7. NG to speak to chairs of sub-committees regarding their terms of reference to ensure they were consistent and to enable them to be presented at the next board meeting for the approval of the full Board.

Item 2: Health & Safety

Item 2a: Safety Moment

JP gave the example of the dangers of non engineering service providers working in proximity to electrified railways.

Item 2b: Health & Safety Performance and Measurement

Referring to the Board paper for this item GM provided an update to the Board on the development of the company in terms of the health, safety and wellbeing processes being used to develop a positive safety culture. GM provided the Board with reassurance on the key safety performance areas that were going to be monitored once TfW Services took over the operation of rail services on 14 October.

Item 2c: Emergency Planning for Franchise Operation

GM presented the paper on this item to the Board and the Board were reassured that the processes were in place to manage a major incident. However NG requested that a further paper be presented demonstrating how a wider range of incidents would be dealt with including the ability to expand this process to incorporate incidents outside of rail. NG advised that the process flows should be separately identified for communications and actual physical responses. [Action JP to work with AC/GM to look at more encompassing incident response escalation]
[Action JL to provide Traffic Wales Events processes]

Item 3: Strategic/Development Update

Item 3a: CEO's Report

JP summarised the contents of the CEO's Report and the matter of the increasing attendance at events arose, one potential award Transport for Wales had won was raised. NG stated that only proven success should be celebrated, and that careful consideration should be given to the balance of benefits in attendance at such events. In all circumstances proportionality on the number of attendees should be considered.

[Action JP/GM to benchmark attendance at events with other similar organisations]

JP stated that he was resolving an issue with the recruitment process that had occurred.

JP stated that it was important that TfW have visibility of how and when additional functions may be required of the company by WG. [Action JL to include wider service requirements in a future remit letter]

Item 3b: Update on Sub-committees' Progress – NED's

SH stated that some challenges had occurred in engaging with Rail Services but believed that was primarily related to mobilisation and needed this to improve in future

NK provided an update to the Board and stated that draft Terms of Reference had been produced which were due to be agreed at the first meeting of the sub-committee on 26 September

ANJ provided an update on the People sub-committee and stated that draft terms of reference had been produced. It was agreed that Peter Kennedy (Welsh Government) would be good to have as an adviser to the sub-committee

HC explained that due to the absence of MD the Audit and Risk sub-committee had not met in its new form. NG requested that given circumstances HC undertake the role of Chair of the sub-committee in the short term.

Item 3c: Finance

HC presented TfW's financial position to the Board. HC stated that project managers had greater involvement regarding forecasting and review of costs with Finance ensure the current and forward look projections were as up to date as possible. NG asked about increase in headcount in certain areas of the business. HC stated that some of this increase was due to the transition from 3rd party spend to the provision of services using direct employees. The matter of recruitment periods and delays was raised and JL stated that TfW should deploy HR processes which deliver on business requirements.

HC provided the Board with an update of the development of the IT process to support the company and the finance reporting. NG stated that visibility of cost using timesheets was an important part of this process. SJ raised the issue of ensuring efficient processes were developed and that these need not follow existing process from the Welsh Government.

Item 3d: Governance Adherence/Performance

HC/JP provided reassurance to the Board that processes had improved in terms of undertaking additional work. It was agreed that benefit could be had from having training in the role of the Accounting Officer and Managing Welsh Public Money for the whole Board. SJ expressed a view that he had received training from Brian Wally and found that to be very informative. [Action GM to arrange a Governance session for Board Members with David Richards and Brian Wally]

Item 3e: Strategic Issues for Future Board Meetings

NG stated that the Board would be interested in hearing from the Welsh Government on the future policy direction for transport and provision of bus services. SJ agreed to present to the Board the Welsh Government view on Transport and the future vision for bus in the October and November Board meetings respectively. [Action SJ to make a presentation to Board about the Transport System and Integration at the October meeting for one hour]
[Action SJ to make a presentation to Board about Bus at the November meeting for one hour]

Item 4: Any Other Business

HC stated that she was exploring options for software to be used for Board administration in future. The Board were content to endorse the use of a Cloud based software approach to meeting administration.

SH raised the issue of Board Members accompanying staff on services in order to understand key customer service issues and it was agreed that this would be done after mobilisation. [Action AC to arrange a date for Board members to do this (post start date of the franchise to allow franchise handover to bed in)]

HC queried whether the WG and TFW business planning processes could be dovetailed more closely. SJ stated this would be good so long as this does not adversely affect TFW business.

The Chair raised the issue of a resignation letter being received from MD the Board unanimously accepted the resignation and wished that MD receive all their thanks for the services he had provided to the company.

Part A of the meeting was closed at 1330.

Part B: Confidential Session

Item 1: Confidential HR Matters

This agenda item is minuted separately.

Item 2: Board and Senior Team Performance

This agenda item is minuted separately.

Part C: Open Session

SJ, JL, GO, AC and KG joined the meeting. The Chair declared the Open Session open and welcomed the attendees to the meeting.

Item 1: Mobilisation

Item 1a: Readiness for Handover

AC guided the Board through the key elements of the paper submitted. NG queried the position on staff transfer and AC provided the up to date position. AC stated that the legal agreements were the current greatest challenge. SJ challenged whether TfW was stepping too much into the contracted services space. SJ suggested that AC may want to speak to Debra Barber Cardiff Airport CEO in terms of lessons learnt in the successful management of customers. [Action AC to make contact with Debra Barber from CIAL about customer experience lessons learnt.] NG asked whether AC needed anything from the Board to ensure the mobilisation was successful. AC stated that whilst challenging she was still confident on a successful mobilisation. JP raised the issue of delivery of 769 trains and NG requested that the Board have updates at future meetings. [Action AC to provide update on 769's at future meetings]

Item 1b: Progress against Milestones

GO updated the Board on the progress against the Corporate Milestone register and stated that the Amber risks associated with TWAO would be reviewed. NG challenged JP on whether any milestones could be brought forward. [Action JP to look at Milestone timeline and challenge whether anything could be brought forward.] KG explained that 20 packages of work had now been delivered by the ODP (Rail Services). HC stated that TfW could be in a position to have a Project Bank Account in place in advance of contract award. KG reassured the Board that Rail Services (infrastructure) was progressing on programme. NG challenged whether it was possible for rail services to bring forward milestones payments and KG confirm that Rail Services didn't have the ability to do this. JP raised the issue of a checkpoint prior to the train order by Rail Services and it was agreed that TfW would present to WG Operational Board a paper on the review undertaken. [Action AC to present review of rolling stock for CVL to next Operational Board]

Item 1c: Key Risks and Mitigations

The Risk Matrix was reviewed and it was agreed that the top 5 -10 risks would be separately stated on a covering page. It was also agreed that HC to include financial risks and opportunities as part of the management accounts going forward

[Action GO to list top 5 – 10 risks on a covering page]. [Action HC to include financial risks and opportunities as part of the mgmt. Accounts]

Item 1d: Communication Grid

The communication Grid was noted. Branding was discussed and reassurance was given to the Board that branding of all the trains would be completed in 8 – 9 months. AC also provided the Board with assurance that other forms of branded publications would be produced much sooner.

Item 1e: Resourcing Update

The Board noted the resourcing update on the recruitment position.

Item 1f: Any Other Business

NG proposed alternative dates for future Board meetings which were agreed.

Approvals and Decisions Committee

Item 1a: Transfer Framework Agreement (TFA)

AC provided the committee with an overview of the risk and liabilities as a result of entering into the TFA. SJ expressed a view regarding the exclusion on the FTN Network and it was agreed that a side letter would be issued with the agreement to Network Rail restating TfW's position about also taking over the FTN within the CVL area. **The recommendations of the paper were accepted on that basis.**

Item 1b: Hold Harmless Agreement

AC provided the committee with the key aspects of the Hold Harmless agreement. NK queried the financial risk to which this exposed TfW and AC summarised those. It was noted that TfW was indemnified by WG in terms of the liabilities being accepted under the agreement. **The recommendations of the paper were accepted on that basis.**

Item 1c: Authority Required to Commence ODP Rail Operations in October 2018

AC explained the range of agreements that needed to be signed to allow TfW to start rail operations in terms of direct step in agreements. The Board approved the recommendations of Heather Clash and James Price being given the authority of the Board to sign the suite of agreements listed in the paper on their behalf.

Item 1d: ODP Grant Agreement Changes – Authority to proceed

AC explained the proposed variations to the grant agreement and explained the reasons why they were needed. **The Board approved the recommendations to issue the requested variations to the agreement.**

Item 1e: Business Justification for Additional Capacity

AC explained to the Committee the purpose of the paper and that the proposal had both operations and financial benefits. NG stated that while the case was clear the currently drafted paper confused the two matters for which the Committees approval was being sort. **The committee was supportive of both and were content to give their approval subject to the paper being split.**

Item 1f: Cabinet Protocol on Staff Transfer from Welsh Government

The Board noted that CSOP would apply and approved use of the protocol and return arrangements.

Item 2: Date of Next Meeting

Revised dates were agreed for future meetings and it was noted the date of the next meeting was 18 October.