



**Transport for Wales Board Meeting – Minutes**

09:15 – 15:30; 19 June 2019

Conference Room, Holyhead Station, Holyhead

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**Present:**

Scott Waddington (NED & Chair) (SW)

Sarah Howells (NED) (SH)

Heather Clash (TfW) (HC)

Jeremy Morgan (Secretariat) (JM)

James Price (CEO) (JP)

Nikki Kemmery (NED) (NK)

Alison Noon-Jones (ANJ)

Gareth Morgan (Part A item 2b) and Alexia Course (Part C items 5, 6 and 7) were present via telephone.

**Part A: Full Board Meeting**

**1) Introduction**

**a. Apologies for Absence**

Alun Bowen (Non-Executive Director).

**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 17 May 2019 were approved as a true and accurate record.

**2) Safety**

**a. Safety moment**

The Time to Change pledge puts a particular focus on prevention of suicides for young men working for TfW who do not tend to open up to issues they are facing.



Several weeks ago, a member of SH's team heard a glass door explode out of normal business hours. If this had happened during the normal business day it could have caused several problems.

**b. Safety performance**

GM joined the meeting via telephone. Unfortunately, a fatality occurred on the Vale of Glamorgan line earlier in the week with the exact circumstances still to be determined.

Work is ongoing to gain ORR Safety Authorisation for CVL to ensure that all issues are adequately dealt with in time for submission by 28 June. A further meeting between ORR and TFW Rail Services is scheduled for next week.

TfW Director safety tours with TfW Rail Services of Haverfordwest and Carmarthen stations have recently taken place. There is a need to ensure that all Directors take part in a tour.

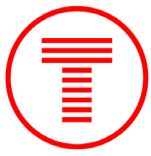
**Action: GM to ensure all Directors accompany TfW Rail Services on a safety tour and to provide up-to-date information on tours taken to date**

TfW's E- learning platform was launched in May and has seen staff complete mandatory safety modules which include HSE Induction, Fire Safety and Risk Assessment. More safety modules will be rolled out in coming months. TfW's Employee Assistance Programme and Occupational Health Services have also been recently launched.

The Board discussed safety performance figures for period 2. Overall, there was a positive trend with no Cat A SPAD events for the second consecutive period and operational incidents overall being reduced. Employee accidents were within the predicted figure, with the outcomes being minor injuries (five) and shock (seven) with no time lost due to injury. There was one incident of lost time and an employee suffered an injury resulting from a physical assault on a train. This resulted in time lost from work and was RIDDOR reportable due to lost time being above seven days.

The Board discussed the issue of physical assaults on trains and the need to join up with local services to prevent anti-social behaviour, many of which are linked to issues with drugs and alcohol. The Board also agreed that TfW should not be willing to accept the maltreatment of staff.

The Board also discussed whether train guards could and should undergo conflict training. It was confirmed that this was actually done but may need reviewing and that training needs should be carefully targeted. Train crew had also given mixed views on the use of bodycams.



**Action: GM to share a presentation on the procedures TfW Rail Services are proposing to take to reduce incidents at July's meeting**

The Board discussed the need to continually audit safety on the network, especially when CVL is transferred and that the right personnel are in place to enable this. It was agreed that Director tours were an important part of this.

### **3) CEO's report**

The CEO presented the Board with a report from his perspective on the organisation over the last month. May saw the introduction of the new timetable which was successfully implemented and the teams who ensured this went well are to be congratulated. Overall, all services are moving in the right direction, with the main challenge being Passenger Time Lost on non CVL services.

Work is on-going to ensure PRM compliance is achieved by the end of 2019 to avoid any potential derogations. The priority is to ensure that Network Rail's work to gauge the network to allow replacement rolling stock for the Pacers to operate, is accelerated.

Progress has been made on concluding and sharing TfW's understanding of the condition and maintenance of the CVL asset and understanding Network Rail's stated view on the same. Work continues to try and close the gap between TfW's and Network Rail's view of the long run average finance requirement for maintenance and renewal of the route.

Work continues regarding several industrial relations issues with progress made on all fronts to close out terms and conditions for maintenance staff, pension contributions and dwell times at Metro stations. A key union consultation meeting is scheduled to take place before July's Board meeting.

TfW continues to work with the Welsh Government on the transfer of functions. The Welsh Government has asked TfW to test its business readiness to take additional services.

**ACTION – JP and HC to prepare a paper for SLT on questions that need to be answered to test readiness to take on more functions from the Welsh Government.**

TfW has had a high degree of media interest this month, largely positive, and some significant interactions with the Welsh Government senior team, which again have been positive.



All infrastructure projects are progressing safely with nil accidents or incidents.

On asset management, TfW Rail Services are addressing Freight Operating Company objections raised in the Network Change consultation. Specifically, resolution is needed for the Track Access Agreements and the TfW team is liaising with Network Rail and the ORR to support the resolution.

Work continues to mobilise a supply chain for Onboard Catering with potential suppliers identified. The objective will be to ensure a smooth transition of service in early January, before bringing in new products.

Work to integrate teams across TfW and TfW Rail Services continues, with plans for creating combined stakeholder and media teams to provide improved value for money and better experience for users and stakeholders. This work is being undertaken alongside the development of TfW's 'advisory architecture' which will be finalised shortly.

JP reported that an offer had been made for the appointment of an IT Director, but the individual withdrew. The role is being reviewed with the intention of re-advertising.

**ACTION: GO to update the Board on the IT Director role.**

Online mandatory training has been rolled out across TfW but concerns have been raised on the large number of modules staff are expected to complete.

**ACTION – LY to review the roll-out of mandatory training and provide the Board (for July's meeting) with more information on the number of modules and expected timelines for completion of roll-out.**

#### **4) Strategic / Development update**

##### **a. Sub-committee progress**

**Customer and Communications** – meeting is planned for 27 July.

**Audit and Risk** – HC provided an update on June's Audit and Risk Committee meeting. HC confirmed that the planned internal audit reports was sufficient and aligned with the ARC review and approvals.

**Health, Safety and Well-being** - NK provided an update on the main issues discussed at last health, safety and well-being meeting. The Board agreed it would be useful to link with TfW Rail Services' risk software.



**People** - SW and ANJ recently met with the Trade Unions to discuss Board attendance and engagement. A pre-agreement is in place to invite a Trades Union representative on to the TfW Board in an observer role, specifically for the CEO and Finance report items. The Board discussed the need a confidentially agreement, especially around finances which will be discussed at meetings having not been audited.

The People Committee terms of reference are being updated to allow for attendance of a representative of the Staff Well-being Action Group (SWAG). The People Committee felt it was not appropriate for TfW to fund entrants to the Cardiff 10k race. The Committee had also discussed 360 feedback for SLT members and the need to include the Board in a similar exercise. The Board agreed.

The Board discussed a recent pay claim and agreed that the claim and action taken around it needs consideration by the People Committee and the need for an agreed pay policy.

**ACTION – JP and LY to draft a paper for the People Committee with information on the recent pay claim.**

**b. Finance**

**Management Accounts**

The Board discussed the highlights from May's management accounts and that both revenue and capital expenditure were as expected.

**2019/20 Budget**

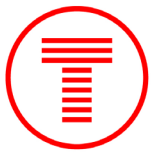
The Board discussed the outline budget for 2019-20. The budget relates to the content of the Welsh Government's remit letter which will be reflected in TfW's business plan which is due for completion in the next few weeks and will be tabled at July's Board meeting.

The Board was informed of the current funding gap between the Welsh Government's proposed budget and how much TfW calculates it will actually need to fulfil the remit. Several items had also been excluded from the budget such as CVL transfer and CP6 funding. Discussions with the Welsh Government are on-going, but further dialogue is required. The issue has also been discussed at the Operational Board.

**Action: HC to write to the Welsh Government on budget issues and to include a proposal for a planning meeting**

**2018/19 Financial Statements**

The Board discussed the 2018-19 Financial Statements and a memorandum prepared by the ARC Chair for the Board recommending that the financial statements are approved and signed. The audit highlighted one issue relating to works carried out on the Llanwern and Bow St projects, both of which in part are not TfW assets. Following the



audit Central Finance Team will be updating the policy on Fixed Assets and asset ownership..

**The Board approved the 2018/19 financial statements subject to a minor amendment which has now been subsequently agreed by the external auditors on referencing the date of appointment regarding the Chair of the Audit and Risk Committee.**

**Internal Audit Charter**

The Board noted the internal Audit Charter which had previously been approved by the Audit and Risk Committee. The Charter will be published on TfW's webpage.

**c. Steering Board update**

The last meeting of the TfW Steering Board discussed the recent M4 decision, TfW taking additional functions from the Welsh Government and the CVL asset transfer.

**d. Governance adherence / performance**

The process continues to appoint a non-executive director with a transport or related specialism. An appointment is planned for the end of July.

**e. Any other business**

The Board discussed arrangements for payment of non-executive directors and the need to ensure a consistent process.

**ACTION: JM to identify best practice for non-executive director payments.**

**Part B: confidential HR matters**

No items were discussed.

**Part C: operational update session**

**1) North Wales update**

The Board received a presentation on some of the individual projects and strategic challenges across the North Wales region. The main aim is to improve cross border connectivity and increase passenger numbers through new rolling stock and station improvements and the development of the North Wales Metro. One of the main challenges discussed by the Board is to improve bus services which accounts for greater passenger movement than rail.

**2) Communications**

The Board discussed TfW's brand perception which continues to improve, although more work is needed to understand TfW's engagement with elected members.

**ACTION: JP to review TfW's engagement with elected members**



### **3) Key risks and mitigation**

The Board reviewed the latest version of the strategic risk register which showed little change from the previous month. Arrows have been added to show SLT's perception of the risk trajectory. The Board agreed to include the risk of Network Rail not accepting cascaded rolling stock for the December timetable.

### **4) Progress against milestones**

The Board discussed both the Milestone and Programme trackers.

### **5) CVL Transfer Full Business Case update**

AC joined the meeting via telephone. The Full Business Case (FBC2) is ready for submission to the Welsh Government next week for Ministerial sign-off by the end of June. The only Amber item is the Financial Case because of the OM&R funding gap. The FBC will reference the funding gap when submitted to the Welsh Government. The Board concluded that the benefits of going ahead with the transfer significantly outweigh the risks, costs and consequences of not going ahead.

The Board discussed awareness of the risk of operational funding shortfalls for maintenance or renewals.

### **6) CVL Transfer Triggers**

AC introduced a paper to inform the Welsh Ministers of the Criteria which TfW will use to seek Welsh Ministers approval to trigger of the transfer of the CVL Assets under the Transfer Framework Agreement between TfW and Network Rail. The Board were reminded that the current operational planned CVL Asset transfer date is 21 September 2019 but will need triggering by 25 July to achieve this date. In order to allow the trigger, several Transfer Conditions Precedent (as defined in the TFA) need to be satisfied in accordance with the requirements of the TFA.

The Board were informed that a 'Go, No Go' workshop had taken place and further events are planned to test readiness for triggering the transfer.

The Board were informed that key stakeholders had informally given their support to recommending the transfer. The Board approved the paper for sharing with the Welsh Government.

### **7) CVL Asset Transfer Contingency Plan**

The Board discussed a paper setting out contingency arrangements for failure to achieve Conditions Precedent to trigger the CVL asset transfer. The paper outlined identified risks of the transfer not being achieved by 20 September 2019 and the steps the TfW is taking to assure itself of their mitigation and overall deliverability of the CVL transfer within the project timeline.

The Board discussed the various options presented in the paper and agreed a contingency strategy.



**Action – AC to provide more detail on how to achieve agreed contingency strategy**

**SW thanked the Board for their attendance. The next TfW Board meeting is scheduled for 17 July 2019.**