



Transport for Wales Board Meeting

010:00 – 15:30; 21 November 2018

Welsh Government Office, Ladywell House, Newtown

Minutes

Present:

Nick Gregg (NED & Chair) (NG)

Sarah Howells (NED) (SH)

Nikki Kemmery (NED) (NK)

Gareth Morgan (TfW) (GM)

James Price (CEO) (JP)

Alison Noon-Jones (NED) (ANJ)

Heather Clash (TfW) (HC)

Jeremy Morgan (Secretariat) (JM)

There were no observers from the Welsh Government. The Welsh Government informed NG that it will no longer send observers to Board meetings and only receive agreed minutes.

Part A: Full Board Meeting

1) Introduction

a. Apologies for Absence

1. The Chairman welcomed the Board to Newtown. There were no apologies for absence.

b. Notice of Quorum

2. A quorum being present, the Chair declared the meeting open. The Chair confirmed that each Director had been given notice of the meeting.



c. 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. JP explained that LB, who will attend the open sessions of the meeting, is conflicted because he is seconded full-time from Keolis Amey to Transport for Wales. NG reminded the Board of the need to ensure that the Register of Interests is up-to-date. SH declared an interest in her involvement in Orangebox.

ACTION: All board members to check register of interests on website and to inform JM of any changes.

d. Minutes and actions of previous meetings

4. The minutes from the Board meeting on 18 October were approved. Several outstanding actions were discussed:
- Action ref. C1 – The Principal Transport Planner is working on producing a Board paper ASAP.
 - Action ref. A3b – action is on-going to develop reporting against the KPIs as part of the Operations Board. However, TfW dashboards are beginning to emerge. The Chair stated that he would like the Board to review the dashboards.
 - Action ref. A3f – publication of TfW's business plan is imminent. TfW is now awaiting a new remit letter from Welsh Government.

ACTION: JP to ensure clarity within the remit letter of all areas of which TfW is providing support to the Welsh Government.



- Action ref. A4a - terms of reference for each sub-committee will be agreed later in the meeting. Once agreed, each sub-committee's terms of reference will be published on TfW's website.

ACTION: JM to ensure that once agreed by the Board, terms of reference for sub-committee will be published on TfW's website.

- Action ref. A2c – still outstanding.

ACTION: GM to chase Traffic Wales for incident and major event procedures

- Action ref. A3a – benchmarking attendance at industry events is ongoing and the action should be closed off.
- Action ref. A4 – the inclusion of wider services in the next remit letter may require the need to update company's Articles of Association and Framework Agreement with the Welsh Government. To be linked to action Ref 3.

ACTION: JM, JP and GM to assess whether the inclusion of wider services in the next remit letter will necessitate amendments to the Company's Articles of Association and/or Framework Agreement.

2) Safety

a. Safety moment

5. JP informed the Board of a recent fatality of a Network Rail contractor in SE England. All Transport for Wales staff need reminding of ensuring they know exactly why they might be working outside the safety zone and to ensure that they are properly trained.

ACTION: GM to ensure that all Transport for Wales staff are reminded of the need to know exactly why they might be working outside the safety zone and to ensure that they are properly trained.



b. Safety performance

6. The Board considered the safety report presented by GM:

- I. Corporate services – 26 staff have received a mandatory safety brief. The development of the training matrix and PMR system will ensure a record is kept of which staff have received training and which staff still require it. Systems are being put in place to monitor working hours and health and well-being, but there is further requirement for PTS courses and external support. The company holds a set of fully safety compliant PPE equipment.

ACTION: GM to ensure that high standards of corporate Health and Safety are maintained, that all staff are reminded of the mandatory requirement to attend the Safety Brief and that those who have not yet attended, do so as soon as possible.

- II. Construction works currently consist of survey work. Increasing numbers of close calls have been reported which is a positive, because issues are being reported that could cause an accident. The number of close calls needs contextualising with normalised numbers or population data.

ACTION: For future Board meetings, GM and NK to provide, more contextualised numbers of health and safety figures.

- III. NG raised significant concerns that the safety KPIs include targets for “Total Physical Assaults” and “Total Verbal Assaults”. GM stated that this a normal industry-wide target. The Board agreed that such targets should be 0 and an assessment made of whether the actual figures are improving or not. The Board would like to see a downward trend which TfW can compare with industry benchmarks.

ACTION: Through the Health and Safety sub-committee, GM and NK to ask Rail Services to use trends rather than targets for measures, particularly regarding data on assaults, irrespective of what is the industry norm.



- IV. NG enquired about numbers of incidents at level crossing figures. GM confirmed that Network Rail have heat maps for these incidents.

ACTION: AC to obtain Network Rail figures on level crossing incidents.

7. NK asked about how TfW engages with the Health and Safety Executive. GM confirmed that TfW does engage with HSE, but NK suggested that this could be done at a higher level and that she would be willing to help with this engagement.
8. The Board agreed that it would be useful for Rail Services to attend the Board to present on how they are dealing with safety issues.

ACTION: GM to approach Rail Services to ask if they can attend a TfW Board meeting to present on how they are dealing with safety issues.

3) Strategic/development update

a. CEOs report

9. JP updated the board on the highlights from the CEO's report. The Board noted JP's report on the recent disruption to services and requested that he continue to work with Rail Services to identify the root cause to prevent it happening again.

ACTION: JP continue to work with Rail Services to find the root cause of the recent disruption to services to prevent it happening again.

10. JP also reported that the PPM for the current period is better than the same time last year, although care needs to be taken to ensure that the quality of data is robust.



11. JP also outlined that Tfw continues to discuss with the Welsh Government the potential expansion of its remit. The Board discussed the need to ensure that all work related to the procurement of the rail services contract is concluded.

ACTION: JP to write to the Welsh Government to inform them of its decision to bring all procurement consultancy to a close as soon as reasonably practical.

12. On staffing, JP confirmed that Tfw's new HR director will start in January 2019. The Commercial and Customer Experience Director started last week.

13. JP informed the Board that there were no significant issues on the transformation project which was around a third of the way through the design.

b. Update on sub-committees' progress - NEDs

14. Audit and Risk sub-committee. NG confirmed that he will chair initial meetings of the Audit and Risk Committee until the Welsh Government appoint a new finance NED. NG accepted that this situation presents a governance risk, but there is little alternative. Tfw are also looking for an independent member of the Audit and Risk Committee with a strong financial background.

15. The Audit and Risk Committee's first meeting will take place on 4 December when it will agree the terms of reference, the internal audit policy and plan, confirm the appointment of external audit services, agree the anti-bribery policy and scrutinise at the Company's financial risk profile.

ACTION: JP to ask KH to prioritise the appointment of a finance NED.



16. Communication and Customer Services. SH ran through the terms of reference which the Board accepted. The first meeting of the sub-committee took place last week. NG challenged the sub-committee to get an agreed view with Rail Services on what excellent customer service looks like.

ACTION: SH to articulate with Rail Services, a clear and agreed view of what excellent customer service looks like with shared goals.

17. People. Tfw's new HR Director is due to start in January. The sub-committee's terms of reference are drafted but not yet agreed.

ACTION: ANJ to share the People sub-committee terms of reference with the Board for approval.

18. Safety. An initial meeting took place in few weeks ago and the next meeting is due to take place on 19 December 2018. The sub-committee is hoping to gain more understanding of how and what being measured.

ACTION: NK and GM to ensure that significant near-misses or accidents are reported at each Board meeting including why the incident occurred, action taken in response and any processes put in place for learning.

c. Finance

19. HC presented the finance report to the Board. HC reported that the internal auditor is currently working through WEFO reporting process. Through a competitive procurement process Tfw has appointed SA Global as a configuration partner for Microsoft Dynamics. HC anticipated that the new system will be up-and-running for the new financial year.



20. HC raised the issue for the need for tight control over the capital programme spend of £738 million. NG agreed the need for robust and accurate financial planning on infrastructure from his experience of other industries. TfW has provided the Welsh Government with a five-year plan for infrastructure spend

ACTION: HC to provide the Welsh Government with a refreshed plan for the infrastructure spend.

21. NG asked for clarification on spend against budget and the need for clarity in some areas.

22. NG raised a concern over how to deal with any Welsh Government requirements for additional work. JP confirmed that this only goes ahead through appropriate governance and if the budget is in place.

23. The Board agreed to release circa. £575k underspend of operational expenditure to the Welsh Government. The Welsh Government approached TfW to identify savings.

24. HC also discussed the need for clear accounting treatments and policies.

ACTION: HC to ensure that all appropriate accounting policies, procedures and treatments are comprehensive and in place.

25. HC reported a potential underspend on capital expenditure for 2018-19. Rail Services have provided TfW with a list of areas on how any underspend can be spent. HC and JP would raise this with the Welsh Government on 22 November 2018. NG emphasised the need to firm plans on how capital can be spent over remainder of year.



d. Governance adherence/performance

26. JP will appear at the Economy, Infrastructure and Skills Committee meeting on 29 November 2018.

27. Shortlisting the permanent role of TFW Chair is complete and interviews will take place over the next few weeks.

e. AOB

28. NK asked whether the Welsh Government's Infrastructure Commission needs to be on TFW's stakeholder radar. JP confirmed that they should, but they are not a statutory body.

ACTION: Simon Jones to update the Board on the Welsh Government's Infrastructure Commission at the next Board meeting.

Part C: Open Session

1) Organisation Structure & Recruitment Update

29. GO introduced the draft TFW structure chart with the caveat that there will always be some movement in the early days of the Company. TFW now employs 36 staff with a further 19 due to start before the end of March 2019.

2) Overview of CVL upgrade works and plans

30. KG raised with the Board that ECI contracts will be let in January and received a challenge on speeding up the consideration of licence issues with NRW.

31. Discussion followed on the capacity of CVL and it was decided a further paper should be brought to the Board reflecting predicted usage against capacity.

ACTION: AC to produce a paper for the Board on predicted usage against capacity.



3) Welsh Government transfers

32. JP ran through the paper on the potential Welsh Government transfer of services, highlighting several risks and opportunities. There are particular benefits in relation to highways for more joined up and integrated delivery.

4) Key risks and mitigations

33. NG highlighted the need to ensure that all risks across the Company, including financial risks, are aligned.

ACTION: GO to work with HC on financial risks to ensure respective risks align.

5) Communications grids

34. LB outlined the main issues around communications, emphasising the need to plan how respond to crisis being as important as getting out the positive messages.

Approvals committee

1. **Scheme of Delegations:** GM provided the Board with the key items relating to the Scheme of Delegations. Several issues were discussed, and amendments agreed:
 - JP's direct reports should come to Board for approval; and
 - the Board should approve anything outside standard terms and conditions for staff employment.

The Board approved the Scheme of Delegations subject to the above amendments

ACTION: HC to present to the Board a paper on job grading for its next meeting



2. **MV rolling stock:** JP and HC talked through the MV rolling stock paper. The Board were presented with two options. After discussion, **the Board agreed to the recommendation of accepting the two options.**

ACTION: Tfw's Executive team to try and obtain a contractual commitment from Rail Services for future timetable commitments.

ACTION: JP to provide the Board with a one-page rolling stock update for the next Board meeting.

