

**TfW Board minutes June 2020**

10:00 – 16:30; 18 June 2020

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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) 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); and Karl Gilmore (KG); Gareth Morgan (GM) and Dave Williams (DW).

**Part A – Full Board Meeting**

**1a. Apologies for Absence**

Apologies were received from Natalie Feeley (NF).

**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 declared.

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

The minutes of the Board meeting 21 May 2020 were accepted as a true and accurate record.

**2a. Safety Moment**

Localised flooding is again affecting valleys communities. There has been no impact on services or infrastructure. A near miss with a train has been reported resulting from a person almost walking into a train to maintain social distancing. This has also been witnessed on roads.

**2b. Customer moment**

Anecdotally, many people have switched shopping habits because places they used to shop at have not implemented good social distancing measures. This needs to be kept in view for customers coming back to use our services.

Shop assistants have been witnessed dealing well with customer not maintaining social distancing. Consistent messages to TfW customers are required, especially if Welsh rules are different to English.

**2c. Safety performance**

The Board were advised that the recent accident caused by a lorry crashing into footbridge in Llanbradach did not result in any injuries and no trains were passing at the time. The bridge itself was closed at the time due to a previous incident. The asset management database provides a RAG rating of potential issues and risks which include not only structural failure, but also of being struck.

TtW's Tactical Co-ordination Group is still meeting regularly, with COVID-19 risk registers continually updated. Two e-learning modules have been developed for staff in readiness for any return to office-based working. The recent all-company call included a Slido survey to take a temperature check of how people are dealing with the lockdown. The main issue identified was lengthy working hours and staff not taking enough breaks. This will be discussed at the next SLT meeting.

The Board discussed Rail Services' safety performance. Over the last period, there had been no RIDDOR reportable accidents or SPADs. Physical assaults have reduced, and where there have been incidents, these have mainly affected gate-line staff rather than train staff. There has been an increase in railway trespassing. Rail Services is putting particular focus on social distancing arrangements and its increased cleaning regime.

A new reporting dashboard for Infrastructure Management has been developed. No fatalities or injuries have been reported, but there were several close calls.

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

With the Emergency Measures Agreement in place, focus has switched to ways of working upon expiry of the agreement under three broad headings – service design and obligations; governance, organisation and finance; and CVL transformation and infrastructure management. Bus services are also being factored into the thinking. There has also been a focus on the health and wellbeing of staff working from home and supporting any who are struggling. Work also continues with the Welsh and UK governments on lockdown rules and bringing people back to work on public transport. The planning around the future of rail operations is based on people starting to travel again, but services may need to be iterated if there are subsequent waves of infection.

CVL transformation continues with the impact of COVID-19 likely to cause an 8% increase in costs and an additional risk of losing ERDF funding. Blockages are due to start in August/September 2020 with work commencing on how to communicate this to customers. A particular focus will be on improving rail replacement bus services.

**Action: AC to provide paper for July's Board on rail replacement bus services.**

**Action: JP follow-up on ERDF funding issue which was escalated at this week's Steering Board.**

VE joined the meeting.

The Board were informed that passenger numbers are gradually increasing and that as services start getting back to normal, but depending on the ability to complete driver training, new rolling stock will need to be brought in to service.

[REDACTED]

[REDACTED]

Discussions continue with the Welsh Government over support and future of bus services. The Board were keen to learn from Transport for London's experience of running bus services.

**Action: JP and VE to discuss bus services, particularly in relation to Transport for London experience.**

Work is also underway with Chambers of Commerce, IOD, and the CBI to inform planning around businesses re-opening, with a view to understanding how many people will likely commute by train and when they are likely to return.

The Board were updated on the Llanwern, Cardiff Parkway and Cardiff Central projects. The business case for the Cardiff Central Programme is under review following submission of updated proposals to meet recent changes in scope.

The Board were informed that a question was raised at this week's all-company call on Board diversity. The Board agreed that an action resulting from February's Board Effectiveness assessment to review best practice in this area will be escalated to the Board Action Log.

**Action: JM to identify best practice for finding race and ethnic balance on company Boards and to build this into succession planning.**

The Board expressed their thanks to the wider team for all their hard work over the last month.

### **3b. Finance**

The Board noted May's Management Accounts. In the month (May) revenue expenditure spend is at £27.5m of which £26.5m relates to Rail the majority of which is passed through to the ODP. In the month (May) Capital Expenditure is at £11.3m of which £11m relates to Rail.

The Board were updated on several areas including financial modelling as part of the Rail Futures programme, an HMRC audit on CVL VAT, adoption of Section 33e, bus emergency schemes and development of the Annual Report and Financial Statements. Some additional expenditure is being incurred because of COVID-19, mainly through advice and support and which can be offset against savings resulting from the EMA.

### **3c. Financial statements**

The Audit and Risk Committee Chair presented a statement recommending to the Board:

- that it can approve the financial statements for the year ended 31 March 2020;
- that it can recommend that the CEO and/or the CFO sign the representation letter requested by the auditors;
- that the going concern assumption is appropriate in preparing TfW's financial statements;
- that the Resilience Statement is a fair reflection of the current status of TfW's financial resilience; and
- that the climate change disclosures in the Annual Report are in accordance with the requirements of the Task Force for Climate related financial disclosures.

The Board accepted the Audit and Risk Committee Chair's recommendations, approving the financial statements for year ended 31 March 2020.

The Board were updated on progress with publishing the Annual Report. It was agreed that the report's pictures need reviewing to ensure they are reflective of the current circumstances. Having reviewed and commented on a

near final version of the Annual Report, the Board delegated authority for signing off the final version to JP and HC. The Board passed on their thanks to all the team.

**Action: JM to review annual report pictures.**

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

The People Committee Chair provided an update from May's meeting. The Board were updated on the development of a Major Projects Board as a Board sub-committee, with the expectation that draft terms of reference will be presented at the next Board meeting and for the sub-committee to commence in September 2020.

### **3e. Steering Board**

The Chair updated the Board on the most recent of the informal Steering Board which discussed the Rail Futures Programme, bus services, KPIs, and Steering Board governance proposals.

### **4. Any other business**

None raised.

AB left the meeting and gave apologies for the afternoon session

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

GM, LB, LR, AC, KG, DOL, DW and GO joined the meeting.

The Board asked for their thanks to be passed to all teams for their hard work over the last month and to ensure staff wellbeing is a priority.

### **5a. Rail Futures programme**

The Board were updated on the work of the Rail Futures Programme which is looking at how to effectively run rail services at the conclusion of the EMA. The programme commenced three weeks ago and has three main workstreams – service and delivery obligations; CVL infrastructure management and transformation; and governance, organisation and finance; along with three sub-workstreams covering fiancé modelling, management control and IMLR/WOLR, and contractual options. Each workstream has an Executive sponsor and meets at least weekly. A Programme Manager has been appointed to bring the programme together.

It was emphasised that the programme was built around developing scenarios and that it was difficult to build in any certainty as we are still mid-COVID-19. The Board agreed there is a need to keep as many options open as possible and that they need to be examined through different lenses such as political, customer and wider policy implications and to align with TfW's vision, purpose and objectives, with the overriding principle of achieving value for money and keeping the customer at the centre of all identified options.

Weekly discussions with the Welsh Government are being held and to keep the Board informed of developments, it was agreed to hold an interim Board meeting in early July.

### **5b. CVL Fibre business case**

The Board discussed the concept for providing fibre infrastructure available to the market using the network required for operating CVL. The commercial network could provide fast internet coverage across CVL to nearby homes and businesses and generate revenue for TfW. The Board were informed of possible capital investment from the Cardiff Capital Region and discussed operating costs and payback periods.

### **5c. Five-year Business Plan update**

The Board reviewed the company's Vision, Purpose, Values and Strategic Objectives and corporate priorities in the context of the current COVID-19 situation and agreed that they remain valid and pertinent.

### **5d. FIT programme update**

The Board were updated on the FIT programme. Detailed discussions with the Welsh Government continue on bus services, with powers expected to be transferred later this year. Aviation and active travel will follow later, but the Welsh Government has paused the transfer of Strategic Road Network powers.

### **5f. TfW risk register**

The Board reviewed and agreed key changes to the Strategic Risk Register. Loss of ERDF funding has increased in likelihood owing to a lack of certainty around a potential extension in the latest spend date of June 2023. The risk on the FIT Programme and misunderstanding of risks / liabilities being transferred has increased in likelihood owing to limited clarity on a new transfer date and functions. A risk on COVID 19 Virus returning has decreased in likelihood owing to greater comfort on the mitigations and our ability to respond. A risk on Welsh Government policy change because of Covid 19 has been removed as a Strategic Risk and placed on the Operational Risk Register for monitoring. A risk on the Rail Futures Programme failing has been added as a new risk to reflect this key work programme.

The Board also reviewed the COVID-19 Consequence Risk Profile. Delayed transition of TfW and TfWRS personnel to Pontypridd has decreased in likelihood owing to increased confidence in an on-time delivery of the facility. Transfer readiness of functions from WG as a consequence of COVID-19 is specific to a risk around bus functions and has been moved to the Operational Risk Register for monitoring.

### **5g. Acquisition and shareholding projects update**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Board will be updated on the acquisition of PTI Cymru next month.

### **5h. Progress against milestones**

The Board reviewed the programme and corporate milestone trackers and progress with the development of a Programme Management Office.

### **5i. Socio-economic duty**

The Board accepted a recommendation that TfW should take steps to ensure readiness to meet the requirements on commencement of the Socio-Economic Duty in Autumn 2020.

### **5k. Communications**

The Board reviewed the Communications report. Messages to customers have lately been driven almost entirely by policy.

**5j. Infrastructure look-ahead**

The Board noted an update of CVL transformation spend profile for the next six months.

The Chair summed up meeting and thanked all for their attendance.

Next meeting (interim) – 6 July 2020.