

TfW Board minutes March 2020

10:00 – 16:30; 19 March 2020

Clive House, Bradford Place, Penarth

Due to the Covid-19 outbreak, the meeting took place via video/audio conference.

Attendees

Scott Waddington (SW) (Chair); James Price (JP); Heather Clash (HC); Sarah Howells (SH); Alison Noon-Jones (ANJ); Alun Bowen (AB); Vernon Everitt (VE); Natalie Feeley (items 1 – 3b); and Jeremy Morgan (Secretariat).

Operational update session (item 5): Geoff Ogden (GO); David O’Leary (DOL); Lewis Brencher (LB); Gareth Morgan (GM); Lisa Yates (LY); Alexia Course (AC); Karl Gilmore (KG); and Kemi Adenubi (KA) (item 5h).

Part A – Full Board Meeting

1a. Apologies for Absence

Nicola Kemmery (NK)

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 20 February 2020 were accepted as a true and accurate record. The Board were updated on progress against several actions from the previous meeting.

2a. Safety Moment

The Board discussed issues around the current COVID-19 outbreak, the requirements for home working and the need to monitor staff’s mental health. The Board shared ideas of how communication can be maintained between staff, ensuring staff are not over-working, and being supportive of staff working at home with children over the next few weeks.

2b. Customer moment

The Board were informed that during the last storm event, excellent customer service from a member of the ticket/gate staff was witnessed, who asked all customers where they were going and whether they could help in any way. The Board agreed it would be good to find staff who are performing well, praise them and disseminate their good behaviours.

2c. Safety performance

The Board focussed on the response to the COVID-19 outbreak. Tactical co-ordination groups have been set up for both TfW and TfW Rail Services and nearly all TfW staff were now working from home with a reporting process in place for those self-isolating. Regular reports are being received from TfW Rail Services. TfW Rail Services are only utilising safety critical roles. Trains are going through a more thorough cleaning process; guidance is being issued to passengers; and all transactions are cashless. The Senior Leadership Team is having twice daily calls to monitor the situation.

Regarding performance, on 5 March 2020, the ORR issued Keolis Amey with an Improvement Notice relating to a major incident involving a customer. Keolis Amey has drafted an action plan in response to the incident.

TfW Rail Services reported five customer accidents and one RIDDOR reportable injury the previous period. Two Category A SPADs were also reported but with no damage or injury reported. Staff assaults have decreased and correlate with use of body cameras. Level crossing events were down to the lowest number for more than 15 periods, with all incidents in the period non-serious.

3a. CEO report

During the first three weeks of the period, a great deal of progress had been made on several issues including the position on TfW Rail Services revenue, the improved position regarding 769s, and the FIT programme. TfW Rail Service's performance had also improved along with progress made on evolving the franchise in the context of the climate change emergency and the M4 decision. However, the last week had been dominated by responding to the COVID-19 outbreak.

The Board were informed that FIT programme was on track, but the likelihood is that the Welsh Government will delay it.

The transfer of the CVL asset from Network Rail to TfW is still planned for 28 March. The Chair expressed his thanks on behalf of the Board to the CVL transfer team.

CVL transformation is ready for full commencement of works, but with some minor issues around integration requiring further work. An external review stated that the project has very clear objectives, but shortages of staff in key areas require managing, and there is a need to ensure the programme is joined up with operational issues.

Good progress has been made in bringing Class 769s into service. The supply chain now has shared project managers, with the likelihood that some of the units will be in place for May's timetable.

The environment in which TfW is operating has changed significantly over the last week due to the COVID-19 outbreak. It will have immediate financial issues for the operator, with today's figures showing a 73% reduction in revenue. Providing services for critical workers is the priority.

3b. Finance

The Board noted February's management accounts and were reminded that they were not impacted by the COVID-19 outbreak.

The Board were updated on the Finance Team's current work programme. It has been confirmed that land transaction tax will need to be paid on CVL asset transfer.

In the month (February) Resource Expenditure is at £16.8 million of which £15.8 million relates to rail, the majority of which is passed through to the ODP. In the month (February) capital expenditure is at £9.9m of which 97% relates to rail. The Balance Sheet as at the end of February showed net assets of £0.7 million.

The Board approved a paper recommending corporate power of attorney arrangements if TfW's Chief Executive and/or Chief Financial Officer become unavailable when legal documents require signature.

3c. Update on sub-committees

The Board were updated on the last Audit and Risk Committee. The Committee had agreed a paper giving confirmation that in TfW's financial statements for the year ending 31 March 2020, the purchase of CVL will be treated as an asset held at cost i.e. the £470 million that is being paid. The Committee also approved the 2020/21 and indicative 2021/22 internal audit plans. A view of TfW's culture will be included in future internal audit reports.

The Customer and Communications Committee received an update on integrated travel, which will need future Board consideration. This week's first Advisory Panel has been cancelled.

The People Committee recently met to review membership and agreed to appoint a staff representative to the committee.

3d. Steering Board update

The recent Steering Board covered most of the items in this meeting. It was emphasised in the meeting that work needs to commence on transferring strategic road network functions from the Welsh Government to TfW four to six months ahead of the transfer.

4. Any other business

None raised.

Part B – Operational update session

LB, AC, KG, DOL, GM, GO joined the meeting via conference call.

5a. Operational update

The Board discussed the impact and response to the current COVID-19 outbreak and the impact on rail services operations, rail services' revenue and CVL transformation. Discussions have been held with the Welsh Government and Keolis Amey, all within the context of a live and evolving situation whilst trying to achieve certainty and stability. TfW Rail Services had agreed to run a 'Sunday Service plus' from Monday 23 March.

The Board discussed a paper setting out an impact assessment of the COVID-19 outbreak on CVL transformation. The Board noted and discussed the mitigations around a range of risks that could delay works.

5b. Communications

Brand perception is still low despite proactive work. A significant number of inquiries were handled over the last period as a result of the recent flooding incidents. Media coverage has been mainly positive as a result of stories around use of body cameras, signing of the Armed Forces Covenant and reaction to the recent flooding incidents.

5c. CVL Transformation - Notice to Proceed

The Board discussed a paper seeking approval for TfW to issue a Notice to Proceed for the implementation of CVL Transformation works as detailed within the Grant Agreement. The paper was underpinned by a status report, the final target price and known major risk items. Notice to proceed would grant TfW approval to move into the contract's detailed design and management phases. The Board approved the notice to proceed subject to confirming that the Welsh Government had not stated TfW could not proceed.

Action: JM/KG to confirm that the Welsh Government have given TfW notice to proceed with CVL transformation

5d. CVL Transformation six-month contract lookahead

The Board noted a paper setting out a six-month look ahead on CVL transformation spend and agreed that further notifications should be given only in the event of significant changes.

5e. CVL Fibre Cable Commercialisation

The Board discussed a paper setting out options for the provision of fibre cabling across the CVL network using 432 fibre cable to provide operational and commercial benefits, through selling fibre capacity to the market; and social-economic benefits for the areas served by the CVL. The Cardiff Capital City Region Deal has agreed to invest £8.5m in the project. The Board agreed the paper's recommendations to: (a) agree in principle that TfW pursue investment from Cardiff Capital City Region Deal to provide £8.5m of funding to enable delivery of 432-fibre on the Core Valley Lines; and (b) progress the project to develop a Full Business Case for the commercialisation of 432 fibre on the CVL with a Passive (Dark Fibre) delivery option and Joint Venture ownership arrangement.

5f. FIT Programme Update

The Welsh Government has confirmed that it is pausing the transfer of functions under the FIT programme due to the COVID-19 outbreak. The Board approved the transfer of services from the Welsh Government to TfW on a date to be agreed.

Action: GO to draft a letter from the Chair to the Welsh Government that TfW is ready to receive functions and will await implementation.

5g. Customer Experience KPI dashboard

The Board discussed the customer experience dashboard with the caveat that figures presented had been overtaken by recent events.

5h. Bus Real Time Information

KA joined the meeting. The Board granted approval in principle to proceed with the procurement of a framework of suppliers for real time information displays and, potentially, separate contracts for a Content Management System and a Real Time Prediction Engine for buses.

The Board questioned whether any consideration had been given to timing given current circumstances but were informed that market engagement activity will start next week.

5i. Progress against milestones

The Board noted progress against corporate and project milestones.

5j. TfW Risk Register

The Board reviewed the strategic risk register. The COVID-19 outbreak has significantly impacted some risks where the likelihood of the risk materialising had increased. The Board were informed of mitigating action taken to manage these risks. However, some risks had reduced, especially those relating to CVL asset transfer.

5k. Any other business

The Board were update on progress with the Corporate Plan, which will be shared with the Board in the next few weeks. The 2020-21 Business Plan is also in the final stages of development and work continues to align it to the remit letter and budget.