

**TfW Board minutes May 2020**

10:00 – 16:30; 21 May 2020

Clive House, Bradford Place, Penarth

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*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); Nicola Kemmery (NK); Alison Noon-Jones (ANJ); Vernon Everitt (VE); Alun Bowen (AB); Natalie Feeley (NF); 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).

**Part A – Full Board Meeting**

**1a. Apologies for Absence**

None

**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 23 April 2020 were accepted as a true and accurate record.

**2a. Safety Moment**

The Board were informed of a recent fine for a railway contractor following an ORR investigation into two railway workers who died in a road traffic accident as a result of their employer failing to ensure that they were sufficiently rested to work and travel safely. The contractor was fined £1 million.

**2b. Customer moment**

The Board shared examples of good customer service being received during the current lockdown. In the M&S food store a staff member gave a warm and positive welcome to customers and the trolley was cleaned. Lessons can be learnt for when services open-up.

The Board also discussed the need to take care when messaging is released as some of the recent information from various sources on use of facemasks has been confusing for members of the public.

VE shared his TfL experience when there was four years to plan for the 2012 Olympic Games in London. The recent relaxing of the lockdown in England meant TfL had a week to prepare. This resulted in a major poster campaign. The key is to try and get the message to people before they arrive at the station/bus stop and to develop a partnership between the operator and passengers.

## **2c. Safety performance**

The system for COVID-19 testing has changed and all staff can be tested if required. The Tactical Coordination Group continues to meet twice per week and is planning measures and requirements for a safe return to the workplace in readiness for when any decision is taken.

Following a recent safety audit on TfW as a corporate entity, an action plan has been developed. The Health, Safety and Wellbeing Committee discussed the action plan at its recent meeting.

Work continues to resolve plans for CVL level crossings, to be able to operate within guidelines with additional traffic, with no negative reactions to current proposals received.

Recent analysis has been carried out in response to a Board request for information on how many customer complaints result from health and safety issues. The analysis shows customer safety complaints are mostly in relation to overcrowding, with a lesser number relating to anti-social behaviour.

The Board welcomed news of the recent silver award for Mind's Workplace Wellbeing Index 2019-20.

Safety statistics for rail services continue to be skewed because of the COVID-19 impact. TfW Rail Services reported two employees and no customer RIDDOR reportable injuries this period. There were no SPADs or Dispatch Irregularities reported. However, there have been increased incidents of antisocial behaviour at stations.

The Board discussed mental health issues and the need to be aware that some manifestations may currently be hidden because of staff working from home. To counter this, staff are being encouraged to take part in the various online social events being organised across the business. It was also stressed that there is a need to make sure furloughed catering staff are being kept in contact with the rest of the organisation.

## **3a. CEO report**

Work continues to mitigate the impact of COVID-19 and the emerging related financial issues. TfW's programme of work and services needs to respond and align with public health policy, ensuring finances are well managed and playing a part in restarting the economy. Internally, there is a need to ensure staff maintain a good work-life balance and that annual leave is taken if needed.

Stage 2 of the Emergency Measures Agreement (EMA) with the ODP has been agreed, with work underway to develop Stage 3 options to start in Autumn 2020. Several options have been developed and are being considered which are underpinned by the need to ensure value-for-money. This work is being done in conjunction with the Welsh Government with a programme of work underway under three workstreams: (1) service design and obligations; (2) CVL transformation and infrastructure management; and (3) governance, organisation and finance. Each workstream will be complimented by several more TfW workstreams. The Board expressed its thanks to team for agreement on Stage 2 EMA.

Several issues are being worked through around re-opening rail services, especially around driver training; capacity; and the role and status of the bus industry.

The Board were informed that recruitment was only being progressed if absolutely necessary with the intent to protect public money, and challenge was also being given to a number of areas in which consultants are being used and whether the work can be delivered internally.

**Action: LY to ensure that consideration is being given as to whether posts can be shared with TfW Rail Services.**

### **3b. Finance**

The Board noted the management accounts for April 2020, which reflect spend in the month as well as a full year view (forecast reflecting COVID19 adjusts) and the business plan budget presented (pre-COVID19).

The Board were updated on key areas of work for the Finance team around CVL asset transfer, EMA, the FIT programme and VAT. A tax analyst will shortly be in post to manage future VAT activity including Section 33 status and recoverable VAT. External audit has commenced and will be carried out virtually.

In the month (April) revenue expenditure spend is at £37.6m of which £36.6m relates to Rail the majority of which is passed through to the ODP. In the month (April) Capital Expenditure is at £7.7m of which £7.4m relates to Rail.

The Board inquired whether an agreement on future funding had been reached with the Welsh Government. The Board was informed that the Welsh Government has provided coverage in writing in the interim to allow TfW to make payments before the Welsh Government seals the EMA in early June. The Welsh Government has also recently provided TfW with a three-month remit letter. These arrangements have been minuted in the recent Steering Board meeting, as well as agreeing wording with external audit.

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

Board Committee Chairs provided updates on recent Customer and Communications, Health, Safety and Wellbeing and People Committee meetings. The Board discussed whether sustainability and corporate social responsibility should be under the remit of a Board Committee. The Board agreed with the recommendation from the Health, Safety and Wellbeing Committee that the cross-cutting nature of these areas necessitates they should remain as items for full company Board consideration. However, it was agreed sustainability reporting would fall under the remit of the Audit and Risk Committee.

The Board agreed revised terms of reference for the Audit and Risk and Health, Safety and Wellbeing Committees.

### **4. Steering Board update**

The Chair updated the Board on last week's Steering Board meeting where issues around the response to COVID-19 and EMA were discussed.

### **5. Any other business**

None raised.

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

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

### **5a. Passenger communications for service restart**

The Board were introduced to draft customer communications and marketing proposals based on the mnemonic SAFER concept which the ODP are being encouraged to use but which could be used across multiple modes. The Board agreed that behaviour change is fundamental to the success of any campaign which should be underpinned by a Traveller's Charter. The proposed SAFER campaign has been tested with 2,000 people and shared with the Chief Medical Officer who made some adjustments.

#### **5b. Strategic Risk Register**

The Board were updated on changes to the Strategic Risk Register. Most of the changes are as a result of COVID-19 issues, with impacts on European Funding for CVL transformation, vertical integration and impact on the supply chain.

#### **5c. Communications**

The first Advisory Panel took place this week with positive feedback and good relationships developed with CBI and FSB which will help initiating communications with businesses to safely get people back to work. Two people are standing for Panel chair.

Daily internal COVID-19 bulletins are being issued for staff which are disseminating government and other relevant messages. All-company calls have generated very positive feedback. TfW's brand impression is improving, with the challenge to maintain and sustain the current score.

#### **5d. Recover and refocus update**

The Board were briefed on a paper setting out the Executive's work to consider the consequential risks and opportunities resulting from the COVID-19 pandemic around rail services, CVL transformation revenue expenditure, capital funded schemes and bus services.

The Executive Team has initiated a 'Refocus and Recovery' programme to review and implement changes to the way we work within the organisation. The programme involves weekly working group discussion and development with the Executive Team and focuses on three stages of recovery and refocus: respond, recover and thrive. The programme is focussing on four areas: ensure we are being efficient with our resources and prioritising our spend towards programme delivery; focus on developing and delivering investment schemes; support and develop the national bus agenda; and protecting direct employment.

It is expected that programme will have to be managed iteratively because of its reliance on on-going government decisions.

The paper was noted.

#### **5e. Delegations Matrix**

The Board were presented with a paper setting out changes to the company's Delegations Matrix affecting the Board. A recent review was undertaken in the context of TfW's growth and development in terms of size and remit and therefore a pressing need to review the Delegations Matrix to reflect how the organisation has evolved and settles into business as usual.

The Board discussed the need to understand and define 'novel, contentious and repercussive' which needs discussing with the Welsh Government and Audit Wales.

**Action: JM to identify agree a definition of novel, contentious and repercussive and present to the Welsh Government and Audit Wales.**

The Board approved the Delegations Matrix, subject to Welsh Government approval for areas where it has authority and agreed that it should be reviewed annually.

**5f. Infrastructure projects - six month look ahead update**

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

**5g. Sustainable development update**

NR joined the meeting to present the Board with an update on TfW's Sustainable Development update for 2019-20. The report will be supplemented with joint videos with TfW Rail Services. It was agreed that more context and commentary was needed in relation to the impact and opportunities presented by COVID-19. The plan was approved subject to minor changes discussed and agreed.

**5h. Procurement Event for Core Valley Lines (CVL) Material Supply Framework**

The Board approved the proposed methodology for the CVL Material Supply Framework requirements and the proposed procurement strategy for engaging with the market and subsequent procurement event.

**5i. FIT update**

The Board were updated on progress with the FIT Programme. Whilst bus grants and aviation were scheduled to be transferred from the Welsh Government to TfW Bus in April and June respectively, both transfers have been paused due to the COVID-19 outbreak. Bus grants may be transferred in June, with the timing of aviation to be determined. Active travel grants and the strategic road network transfers are both on hold as we await clarification from the Welsh Government on how the transfer of these functions will be taken forward. The Board noted the update.

**5j. Company Seal**

The Board approved guidelines for using the Company Seal.

**5k. Long-list and short-listed stage 3 contingency options**

The Board were presented with a paper detailing narrowed down options for implementing measures to protect the ODP's ability to continue as a going concern as a result of the impact of major reductions in the passenger revenues generated by the ODP during the COVID-19 outbreak. The Board were reminded that Stage 1 funding of £40 million intended to cover to the end of June 2020 had already been agreed and negotiations on a stage 2 agreement to Autumn 2020 were very advanced. Work will continue to identify the best value for money option.

The Board inquired about the timeline for agreeing the way forward and may have to reconvene for a briefing and update prior to June's meeting.

The Board thanked the wider team involved in making good progress on agreeing or developing Stages 1, 2 and 3 and noted the paper.

**5l. Core Valley Lines Transformation Coronavirus Impact Assessment**

The Board noted a paper providing an updated impact assessment on the delivery of the Core Valley Lines (CVL) Transformation programme as a result of COVID-19. The Board were informed that until recently, the position has been developing weekly and is now starting to stabilise, allowing the effects to be better understood and risks



The Chair summarised the main issues discussed by the Board, thanked everyone for their attendance and on behalf of the Board expressed his thanks to Executive Team and their teams for their hard work and dedication on dealing with several challenging issues.