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Russell George AM
Chair
Economy, Infrastructure and Skills Committee
National Assembly for Wales
Ty Hywel
Cardiff
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14 June 2019

Dear Mr George

Thank you for sharing with us the EIS Committee's report into the Future Development of Transport for Wales. We welcome the report and thank the committee for their work and I have been asked to respond to Recommendations 1 to 3 and 7 to 13.

Recommendations

Recommendation 1. TfW must move quickly to set up a formal advisory group to allow it to engage with stakeholder bodies and improve levels of public awareness about TfW's responsibilities and functions, and the lines of accountability for all the various transport functions in Wales.

TfW will create an advisory panel to provide feedback on delivery of its services. The advisory panel will incorporate subsidiary panels which will provide clear opportunities for the voice of customers, stakeholders and interest groups to advise TfW on its activities. This will be managed in an open and transparent way to provide public visibility of outputs from this structure.

Recommendation 2. TfW must demonstrate a stronger commitment to meeting customer needs and improving passenger experience: it must employ a wide range of mechanisms, both formal and informal, to consult and engage with stakeholders and passengers. TfW should develop and publish a comprehensive communications and engagement plan setting out its approach and making clear what standards stakeholders and the public can expect. The plan should demonstrate clearly how TfW will take on board the views of key stakeholders and user groups.

In line with recommendation 1, TfW will create an advisory panel to provide feedback on delivery of its services. This will be complemented by a broader advisory architecture and plan which will provide clear and accessible routes for engagement to take place for users, stakeholders and interest groups. In May, TfW announced its vision for Community Rail which outlines how it will work with communities to ensure that their needs are reflected in the activities of TfW.

As part of the advisory architecture, TfW will also consider current engagement structures and how these can be incorporated to ensure that there are clear and transparent opportunities for engagement across the current remit of responsibilities. TfW will also publish a high level summary of its communications plan for 2019/2020.

Recommendation 3. TfW must publish an organisation chart for the organisation as a whole – not simply the board – with details of functions and roles within the organisation, and this information should be updated on a regular (initially monthly) basis as the organisation grows. It should show whether staff are employed directly or as consultants and give sufficient detail about the nature of the specialist work they are undertaking.

TfW believes in being as open and transparent as much as practicably possible. We currently publish our senior team with their responsibilities, the areas they look after as well as their biographies. We consider that this is commensurate with good practice, as evidenced by the other Transport Authorities

Transport for London

<https://tfl.gov.uk/corporate/about-tfl/how-we-work/corporate-governance/board-members>

Transport Scotland

<https://www.transport.gov.scot/about/senior-management-team/>

Transport for the North

<https://transportfornorth.com/leadership-team/>

We acknowledge and understand the requirement to demonstrate the development of our team alongside the reduced requirement for consultants supporting our core functions. For the current and future financial years we propose to publish contracts awarded over £25k on our website on a quarterly basis. We will also investigate the best way to provide useful information on our website that recognises that our continued development will benefit from wider support, whether this is from secondees, formal collaborative placements from other public sector organisations or from consultants.

Recommendation 7. As part of its regular public reporting of its activities, TfW should provide clear evidence of how it is complying with the principles of the Well-being of Future Generations (Wales) Act 2015.

TfW is currently aligning its work on Sustainable Development and is preparing a Sustainable Development Plan based on the requirements of the ODP Contractual obligations. We meet regularly with the Future Generations Commissioners Office and this document is mapped against the Well-being Goals and will be reported internally to the Board in April 2020 and the Office of the Future Generations Commissioner in June 2020.

We have developed a tool with Value Wales called the TfW Mesur Tool which will be used to measure the community benefits of our projects and are also able to provide data outputs aligned with the Well-being Goals.

Our projects will have their own Sustainable Development Plans, these are mapped against Public Service Board and NRW Well-being Plans within the areas in which they are being delivered. They will be measured using the Mesur Tool as detailed above

Recommendation 8. TfW and/or Welsh Government should provide the Committee with more details of its plans and timeline for progressing integrated ticketing and smart travel for Wales.

TfW launched a pilot of the smart ticketing scheme for season ticket holders on 1 April 2019. Initially on two routes; Cardiff to Penarth and Shrewsbury to Wrexham.

Following evaluation in June there will be a further roll-out of the pilot to more routes and products later in the year with the ambition to migrate most season tickets to smartcards.

Evaluation is currently underway for integrated, pay as you go and account-based ticketing for other areas of Wales. Further detail regarding our committed obligations in this area can be found here; <https://tfw.gov.wales/projects/wales-and-borders-rail-service>

Recommendation 9. Welsh Government should ensure that TfW's Board structure is significantly strengthened and that it compares favourably with the make-up and skill-sets of other transport executive bodies. The representation on TfW's Board, and the way it operates and takes decisions, should be designed to embed a strong and open

social partnership approach, and a commitment to diversity, within the organisation. TfW should also publish a complete register of the interests of all its Board members and directors on its website.

Over the last six months, TfW has continued to strengthen the membership and structure of its Board through the appointment of a permanent Chair and an independent non-executive director with responsibility for audit, risk and finance. The Board has four sub-committees –

- *Audit and Risk,*
- *Customer and Communications,*
- *Health, Safety and Wellbeing, and*
- *People.*

Each sub-committee meets at least quarterly and has agreed terms of reference published on the TfW website. All sub-committees are Chaired by a TfW non-executive director with an additional non-executive director in an attendance as a committee member.

TfW is a fair and inclusive employer and is keen to take forward a progressive appointment of having a nominated Trade Union representative on the Board. TfW approached the Wales TUC on 4 March 2019 to begin engagement on agreeing a process for making an appointment and met with them on 7 June.

TfW is also in the early stages of appointing a non-executive director with suitable experience and knowledge from the transport sector. The Board recognises that diversity, in all forms, is key to ensuring different perspectives are introduced into its decision-making processes. The Board believes that gender is an important aspect in creating an optimal Board in terms of balance and composition and currently has a gender split of four female and three male.

A register of interests for Board members is published on TfW's website and updated quarterly.

Recommendation 10. The anonymised results of TfW's activities to assess staff satisfaction should be published on its website.

We recently used our first conference to undertake a pulse survey on how our colleagues are feeling towards their employment and TFW and how we can improve. We are pleased to share with you the headline data (attached) and we will make this available on our website.

Feedback was generally positive, although continued improvement is our focus as we develop and grow. We recognise that employee engagement is a pivotal part of retaining staff, developing an environment in which people can be at their best and becoming an employer where all staff feel valued and motivated. To this end, their feedback is important, and the results are incredibly helpful to us.

We would like to take a very transparent approach in how we move things forward and we will be undertaking a discussion and analysis at Board level about this. It is our intention to hold employee focus groups with a cross section of staff from all teams and bandings to gain honest and candid feedback which will enable us to interpret the data appropriately. These focused discussions will inform our survey action plan where we will be able to communicate to how we are going to act on their feedback.

Recommendation 11. TfW should enter into a social partnership agreement with all the relevant unions as soon as possible to demonstrate its commitment to best practice.

Trade unions are an important part of building our organisation and with that in mind, TfW has chosen to recognise all unions within the sector to ensure, as we grow, our ability to work effectively in social partnership. TfW has confirmed with the Welsh Government its keenness to work with all partners and formalise any agreements as soon as possible. TfW recognises and works collaboratively with the following trade unions:

- ASLEF
- FDA
- PCS
- Prospect
- RMT
- TSSA
- Unite

Recommendation 12. Welsh Government should ensure that TfW is remitted to ensure that its human resources plan has a strategic focus on skills development and the adoption of an apprenticeship programme as part of its future functions.

TfW is committed to pursuing a robust approach to an 'Early Careers' programme. This will include, Apprenticeships, Graduates and student placements with a particular focus on hard to reach communities, raising aspirations and embracing difference. We are

already taking to Welsh Government, Universities, CITB and Regional Skills Partnerships to understand the opportunity and develop our approach.

Recommendation 13. Welsh Government should ensure that TfW's procurement policy and practice is fully aligned with supporting a legacy of skills and training in the delivery of its functions.

TfW Procurement Policy embeds the principles of the Future Generations Act including the importance of its suppliers providing a well trained workforce.

The contracts it currently has in place include the provision of apprentice and graduate training schemes as well as monitoring the impact this has on local SME's and disadvantaged groups.

The Grant Agreement contains reporting provisions for:

Local, SME and TSEs:

- The amount spent with businesses based in Wales and the borders providing goods, services, or overheads*
- The amount spent with small and medium-size enterprises (SMEs) based in Wales and the borders*
- The amount spent with Third Sector Enterprises (TSEs) based in Wales and the borders during the period.*

Skills, Disadvantaged Groups:

- The amount paid to people living in Wales and the borders who are/were employed as a result of this contract*
- Has this contract allowed the Contractor or subcontractors to retain staff who would have been made redundant without the work provided by this contract?*
- Staff, living in Wales and the borders retained as a result of this contract*
- People living in Wales and the borders, who were previously unemployed but are now employed by the Contractor and/or subcontractors during the period as a result of this contract*

Training:

- Apprenticeships started by people living in Wales and the borders as part of this contract*
- Apprenticeship weeks completed by people living in Wales and the borders as part of this contract*
- Traineeships by people living in Wales and the borders were started and completed as part of this contract*

- *Work experience / internship opportunities for people living in Wales and the borders were started and completed*
- *Work experience / internship weeks in total completed as part of this contract*
- *Graduate placements for people living in Wales and the borders started and completed as part of this contract*
- *Graduate placement weeks in total completed as part of this contract*
- *Work trial weeks in total completed as part of this contract*
- *Voluntary work opportunities completed as part of this contract*
- *Voluntary work weeks completed as part of this contract*
- *Accredited training opportunities of any level completed as part of this contract*
- *Accredited training weeks of any level completed as part of this contract*
- *Non-accredited training opportunities completed as part of this contract*
- *Non-accredited training weeks provided as part of this contract*

Our main construction type contracts contain obligations for the following and a requirement to report on them:

- *training and employment opportunities, especially for those furthest away from the job market;*
- *supply chain opportunities for micro businesses, SMEs and third sector organisations;*
- *improvements to environmental performance including carbon reduction, waste reduction, water usage reduction, improvements in air quality and a responsible approach to biodiversity; and*
- *contributions to the local community such as working with local schools and colleges, work experience / work placements and the promotion of Welsh culture and language.*
- *to effectively co-operate with the Employer and relevant third parties to address identified skills gaps and skills shortages and where appropriate should work with the Employer to support the Employer's Apprenticeship schemes and graduate schemes.*

Working with social enterprises:

TfW has recently awarded a contract to ELITE Paper Solutions, a social enterprise that helps people with disabilities obtain employment. Based in Merthyr, ELITE Paper Solutions has been appointed to store and retain archived documents and contracts for us. The social enterprise has been assisting people with disabilities to obtain and maintain paid employment opportunities within their communities since 1994.

We have also engaged with the Digital Accessibility Centre (DAC), a social enterprise based in Neath, that works with clients to create digital media that is accessible to all members of a population, and meets best practice accessibility standards and legislation. DAC has been appointed to test the online application process for current and new Concessionary or Disabled Travel Card holders between September and December 2019, in line with the W3C's Web Content Accessibility Guidelines (WCAG) 2.1 Level A and AA Conformance requirements.

Yours sincerely

James Price