

**Meeting:** West Midlands Rail Board of Directors

**Subject:** Minutes

**Date:** Tuesday 19 June 2018 at 09.45am

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**PRESENT:**

**Partner Authorities**

Councillor Roger Lawrence	- City of Wolverhampton Council (Chair)
Hon. Alderman Stewart Stacey	- Birmingham City Council
Councillor Ian Kettle	- Dudley Metropolitan Borough Council
Councillor Barry Durkin	- Herefordshire Council
Councillor Roger Horton	- Sandwell Metropolitan Borough Council
Councillor Steve Davenport	- Shropshire Council
Councillor Mark Winnington	- Staffordshire County Council
Councillor Ted Richards OBE	- Solihull Metropolitan Borough Council
Councillor Peter Butlin	- Warwickshire County Council
Councillor Ken Pollock	- Worcestershire County Council

**IN ATTENDANCE:**

John Seddon	- Coventry City Council
Andy Miller	- Sandwell Metropolitan Borough Council
Matthew Howells	- Shropshire Council
Clare Horton	- Staffordshire County Council
David Balme	- Telford and Wrekin Council
Laura Shoaf	- Transport for West Midlands
Matt Crowton	- Walsall Metropolitan Borough Council
Vicky Mumford	- Warwickshire County Council
Luke Bodin	- West Midlands Rail
Malcolm Holmes	- West Midlands Rail
Tom Painter	- West Midlands Rail
Toby Rackliff	- West Midlands Rail
Peter Sargent	- West Midlands Rail
Vicky Mumford	- Warwickshire County Council
Andy Baker	- Worcestershire County Council
Carl Craney	- West Midlands Combined Authority

**BY INVITATION**

Ian Baxter	- SLC Rail
Andy Clarke	- SLC Rail
Richard Brooks	- West Midlands Trains
Jan Chaudry-van der Velde	- West Midlands Trains

Apologies for absence were recorded from Councillor Ian Ward (Birmingham City Council), Councillor Glen Williams (Cheshire East Council), Councillors David Welsh and Jim O'Boyle (Coventry City Council), Councillor Patrick Harley

(Dudley Metropolitan Borough Council), councillor Jonathan Lester (Herefordshire Council), Councillor Ian Morris (Northamptonshire County Council), Councillor Steve Eling (Sandwell Metropolitan Borough Council), Councillor Steve Charmley (Shropshire Council), Councillor Bob Sleigh (Solihull Metropolitan Borough Council), Councillor Daniel Jellyman (Stoke on Trent Council), Councillor Philip Atkins (Staffordshire County Council), Councillor Hilda Rhodes (Telford and Wrekin Council), Councillor Mike Bird (Walsall Metropolitan Borough Council), Councillor Peter Bilson (City of Wolverhampton Council) and Councillor Izzi Seccombe (Warwickshire County Council).

### **1. Chair's Announcement**

The Chair welcomed those present and at his invitation introductions were duly made.

At the invitation of the Chair, Malcolm Holmes advised on the housekeeping arrangements including location of drinks facilities, toilets and evacuation procedures in the event of a fire alarm.

Malcolm Holmes referred to Agenda Item No. 13. (Cross Country Franchise Competition Overview) and informed the Board that Eddie Muraszko, Department for Transport, was unable to attend the meeting owing to having sustained an injury. Toby Rackliff would give the presentation.

### **2. Declarations of Interest**

Malcolm Holmes declared an interest in Agenda Item No. 8. (TfWM /WMR Amalgamation Review) insofar as it related to the appointment of a permanent WMR Executive Director/TfWM Director of Rail post.

### **3. Minutes of the meeting of the West Midlands Rail Board of Directors – 20 March 2018**

#### **AGREED:**

That the minutes of the meeting of the West Midlands Rail Board of Directors held on 20 March 2018 were agreed as a correct record of the proceedings and signed by the Chair subject to the addition of 'Councillor Ken Pollock – Worcestershire County Council' in the list of apologies for absence.

With reference to Minute No. 35. (West Midlands Trains Progress Update), hon. Ald. Stewart Stacey enquired when the electric service from Bromsgrove would commence. Malcolm Holmes advised that this was scheduled to commence on 29 July 2018. Richard Brooks added that the testing of electric trains on the line was underway.

Councillor Roger Horton referred to his comments at previous meetings with regard to both signage and staffing at Galton Bridge Station, Smethwick. Richard Brooks assured the Board that a review of both issues was underway and that the station would be served by additional trains following the December 2018 timetable review. He advised that the station was, however, staffed over and above the hours required contractually.

#### **4. Forward Plan**

The Board noted a Forward Plan detailing items to be reported to future meetings.

#### **AGREED:**

1. That the Forward Plan be noted;
2. That approval of Accounts be added to the Forward Plan for the September 2018 meeting;
3. That approval of the Rail Investment Strategy be added to the Forward Plan for the December 2018 meeting.

#### **5. WMR Programme Update**

##### **West Midlands Rail Programme Update Report**

Malcolm Holmes presented a general update to the Board which outlined progress against WMR objectives since the last meeting in March 2018. The report covered the following objectives:

- West Midlands Franchise Management;
- West Midlands Rail Investment Strategy;
- West Midlands Stations Alliance - Progress;
- West Midlands Stations Alliance – Future Development
- Franchise Engagement Strategy;
- Major Stations Projects;
- Partnership Agreements;
- Stakeholder Engagement and Media Coverage;
- 2017/18 Full Year Financial Position; and
- Risk Management.

With regard to West Midlands Franchise Management, Malcolm Holmes highlighted that responsibility for the management of Wolverhampton Station had transferred from the West Coast Franchise (operated by Virgin Trains since 1996) to West Midlands Trains on 1 April 2018. The Service Quality Regime (SQR) had also been introduced in April 2018 across trains and stations in the West Midlands. The aim of the SQR was to incentivise WMT to improve the standard of customer service offered to passengers in the West Midlands.

With regard to Stations Alliance, Malcolm Holmes reported that a more cost effective method of undertaking 'Master Planning' was being investigated.

With regard to Franchise Engagement Strategy, he reported that the Welsh Government had awarded the Wales and Borders franchise to the Keolis / Amey consortium and, inter alia, would result in a new fleet of trains from Birmingham International Station to Wales. He advised that discussions were continuing with prospective bidders for the West Coast Partnership franchise.

With regard to Partnership Agreements, Malcolm Holmes reported that the Agreement with Chiltern Railways had been signed on 1 June 2018. Councillor Roger Horton advised that he had attended the signing ceremony of the Partnership Agreement with Chiltern Railways and had been informed

subsequently that the Agreement with Virgin had also been signed but that he now understood that this was not the case. Malcolm Holmes reported that he was meeting with representatives of Virgin during week commencing 25 June 2018 with regard to this matter.

With regard to the 2017/18 Full Year Financial Position, Malcolm Holmes drew to the attention of the Board that the budget surplus of £122,792 would be carried forward and to the recommendation that the accounts be not the subject of an external audit. He explained the rationale behind this recommendation. Hon. Ald. Stewart Stacey suggested that this decision, if approved, be included on the Risk Register. Councillor Roger Horton requested that the decision, if approved, be drawn to the attention of the WMCA Audit, Risk and Assurance Committee. Councillor Ken Pollock suggested that this matter be the subject of consideration on an annual basis.

Councillor Roger Horton referred to official launch of the West Midlands Railway brand and the event on 27 April 2018 under the strapline 'Painting the Region Orange'. He sought an assurance that all stations be not painted in the corporate colour given the heritage status of stations such as Moor Street, Birmingham. Malcolm Holmes responded that the Franchise Obligation was contained in the Stations Design Guide and assured the Board that heritage or community stations would be treated sensitively. Richard Brooks confirmed this to be the case and advised that consideration was being given to painting stations such as 'The Hawthorns' and 'Witton' in the colours of the local football teams i.e. West Bromwich Albion – Blue and White and Aston Villa – Claret and Blue.

Councillor Peter Butlin reported that services were now operating from Kenilworth Station and that Warwickshire County Council had established a Working Party to review the delays in the opening. He offered to share the outcomes of the report.

**AGREED:**

1. That the report be received and noted;
2. That an external audit of the WMR Ltd. Annual Accounts for 2017/18 be not commissioned;
3. That the above decision be referred to the WMCA Audit, Risk and Assurance Committee for information;
4. That the decision be included on the Risk Register;
5. That the decision be reviewed on an annual basis;
6. That the offer of Councillor Peter Butlin to share the outcomes of the Warwickshire County Council review into the delays in opening Kenilworth Station be accepted.

**6. West Midlands Railway Progress Update**

The Board received a verbal report from Richard Brooks, West Midlands Trains, in connection with the performance of that company since the last meeting of the Board. He referred to the following areas:

- Inclement weather and affect on performance;

- Industrial Action and dealing with disruptions;
- Stations;
- Trains;
- Staffing including recruitment;
- Brand Awareness.

Jan Chaudry-van der Velde commented on the need to improve performance albeit that the company was not in control of many incidents which lead to disruption to service including trespass, illness and attempted suicides. He also referred to the forthcoming changes to the timetable in December 2018 and on the need to avoid a repetition of the experiences of some Train Operating Companies following changes to the timetables in May 2018. He commented on the necessity for Network Rail to deliver the electrification works on the Chase Line on time and on the contingency planning which was underway in the event of delays.

Councillor Mark Winnington welcomed the forthcoming investment in the service but referred to the confusion which ensued at Birmingham New Street resulting from travellers believing that they were at Birmingham International Station. He commented that a proposal to rename Birmingham International Station had been raised previously. Malcolm Holmes confirmed that this proposal had been included within the response to the Cross Country franchise consultation and had been received well by prospective bidders. A possible name mooted was 'Birmingham Airport for NEC'. Richard Brooks commented on the substantial costs involved in re-naming a station and that the best time for such an exercise was at the time of a franchise award.

Malcolm Holmes reported that WMR was working with the Department for Transport and West Midlands Trains to look at the December 2018 timetable changes as part of an industry wide review.

Hon. Ald. Stewart Stacey referred to an incident of stock short forming at Snow Hill Station the previous evening involving two trains and disruption to services. Richard Brooks advised that this matter was being investigated but that he believed that the issue had arisen much earlier in the day.

Councillor Roger Horton referred to comments made earlier in the presentation with regard to disruptions to services being beyond the control of the Operator and commented on the apparent increase in attempted suicides involving trains and/or railway premises. He enquired as to the steps being taken to reduce such incidents. Jan Chaudry-van der Velde informed the Board on industry wide action and work at a local level with the Samaritans. He reported that security guards were now employed on the line between Rugby and Watford with a view to observing suspicious behaviour and intervening. He explained that the subject in general was overseen by the Rail Safety Standards Board.

Councillor Peter Butlin reported that he had personally experienced four delayed journeys in the past twelve months resulting from trespass (two events), arson and an attempted suicide. He questioned the steps being taken to reduce trespass. Jan Chaudry-van der Velde advised on the steps taken to

reduce both trespass and graffiti at depots and stations but explained that addressing trespass on the main lines was a complicated matter. WMT was working with the British Transport Police to educate school children of the potential dangers associated with trespassing on rail property.

Councillor Ken Pollock, on behalf of Worcestershire County Council, offered his thanks to WMT for its sponsorship of a recent cycling event in Redditch.

**AGREED:**

That the report be received and noted;

**7. UK Rail Industry Employee Relations Update**

Tom Painter presented a report on the latest industrial relations developments affecting the UK rail network and which provided a commentary as to the potential implications for West Midlands Rail. The Chair reminded the Board that industrial relations were a matter for West Midlands Trains and not issues with which the Board should become involved.

**AGREED:**

That the report be received and noted.

**8. TfWM / WMR Amalgamation Review**

Clare Horton presented a report which sought approval for the amalgamation of West Midlands Rail (WMR) and Transport for West Midlands (TfWM) rail activity under one Director to continue and be made permanent. She reminded the Board that this matter had been considered at its September 2017 meeting when it had been approved subject to a review after six months of operation.

Councillor Roger Horton questioned the item in the 'Register of Risks' relating to transport delivery Committee members could have a disproportionate influence over WMR activity and also suggested that there should be a six monthly review of the effectiveness of the proposed amalgamation. Clare Horton explained the perceived risk with membership of the Transport Delivery Committee being confined to members from the Metropolitan Authorities to the potential detriment of the Shire Authorities and reminded the Board that this was a review after six months of operation of the amalgamated activity.

Councillor Peter Butlin advised of the potential risk in the event of a change in the Mayor who had different objectives to WMR. He suggested that this potential risk could be addressed by way of the proposed annual review. The Chair reminded the Board that the WMCA board was comprised of the WMCA Mayor, the seven Metropolitan Authorities together with representatives from both Constituent and Non-Constituent Authorities. He added that there was also a Portfolio Holder for Transport matters (including Rail). Malcolm Holmes clarified the position by reference to the Articles of Association of WMR which set out the role of the WMCA which did not appoint Directors to this Board.

Furthermore, the Mayor had no direct role in the operation of WMR with the Directors being appointed by the individual Partner Authorities.

**AGREED:**

1. That the successful amalgamation of WMR and TfWM rail activity under one Director during the review period be noted;
2. That the amalgamation of WMR and TfWM rail activity being made permanent subject to the signing of a Memorandum of Understanding (MoU) between WMR and TfWM to agree the key principles of the amalgamation and to ensure an on-going commitment by TfWM to provide an appropriate level of revenue funding to WMR Ltd. be approved;
3. That the appointment of a permanent WMR Executive Director / TfWM Director of Rail post subject to the agreed recruitment process detailed in the report be approved;
4. That an annual update from the Chair of the Officer Rail Devolution Group regarding the on-going success of the amalgamation be approved.

**9. Brand Identity**

Malcolm Holmes presented a report which sought approval for matters in relation to WMR company identity and the wider use of the West Midlands Railway brand concept. The Chair commented that the brand concept could also be made available for appropriate use by Shire Authority partners.

Hon. Ald. Stewart Stacey questioned how the Operating Company sat within the brand identity. Malcolm Holmes explained that there were two brands operated by West Midlands Trains i.e. West Midlands Railway (WMR) and London North Western (LNW) and that these were separate to the WMR brand and was part of the reason for the proposed name change. Hon. Ald. Stewart Stacey queried whether this would cause any confusion to passengers who wished to make a complaint. Councillor Roger Horton advised that he supported the proposed changes but alluded to difficulties with information on timetables and the potential confusion between WMR and LNW. Richard Brooks undertook to investigate this matter.

**AGREED:**

1. That the adoption of 'West Midlands Rail Executive' as the new trading name for WMR, together with the adoption of a new logo as detailed in the report be approved;
2. That the West Midlands Rail Board of Directors being in future known as the 'West Midlands Rail Executive Board' be approved – there being no plans to change the legal name of the limited company;
3. That the use by the West Midlands Combined Authority of the 'West Midland Railway' brand concept for the creation of a multi-modal brand family be approved.

**10. Midlands Connect: Sub-National transport Body Consultation Response and Memorandum of Understanding**

Toby Rackliff presented a report which provided an update on the Midlands Connect proposals to seek Sub-National transport Body (STB) status and its implications for West Midlands Rail. As an appendix to the report he presented a draft Memorandum of Understanding between Midlands Connect and WMR which had been produced to ensure that the two bodies acted in a supportive and complementary role, rather than in a competing role, especially when considering advice to the Department for Transport on franchising and broader strategic rail transport areas.

The Chair advised that the Board was being asked to consider its response to the STB consultation and emphasised that this would not preclude individual Partner Authorities submitting a response in their own capacity. Toby Rackliff reported that the Officer Rail Devolution Group did not believe that the case had been made for Midlands Connect to become a STB yet and was of the view that if so designated, it could become a barrier rather than a bridge to Central Government relations for WMR.

Councillor Barry Durkin advised that Herefordshire Council was supportive broadly of the proposals and that the proposed response was overly negative. He suggested that clarification was required between the relationship between the two bodies and governance arrangements. The Chair advised that he had some sympathy with this viewpoint but that this was not shared by fellow Metropolitan authority Leaders. He advised that the WMCA Board was likely to support the proposal but subject to a prioritisation process to be agreed in advance of formal support being given.

Hon. Ald. Stewart Stacey sought clarification on the advantages which were likely to accrue to WMR from Midlands Connect being granted STB status. Councillor Mark Winnington reminded the Board of the excellent relationship enjoyed between WMR, the Secretary of State for Transport and the Department for Transport. He referred to the STB status of Rail North and questioned the benefits for WMR. He did, however, counsel caution in the terms of the response to the consultation.

The Chair reiterated his earlier comments that it was for each Authority to determine its own response on this matter and that the views of this board were now being sought. He suggested that the practicalities of the working relationships between the two bodies should form the main part of the response rather than the principles of STB status and that the response should be amended accordingly, taking into account the comments now made.

Councillor Peter Butlin opined that devolution from London to the West Midlands should be supported. He advised that initially he had had concerns with regard to the grant of STB status but that he had been convinced of the benefits. He suggested that WMR should be represented on the Board of Midlands Connect.

**AGREED:**

1. That the response to the STB consultation be amended having regard to the above comments and circulated to the Board for approval;
2. That delegated authority be granted to the Chair and Vice Chair to approve the letter of response;
3. That further clarification on various points now raised be sought at the meeting of the Midlands Connect Strategic Board at the meeting scheduled for 9 July 2018;
4. That the draft Memorandum of Understanding between Midlands Connect and West Midlands Rail be endorsed.

**11. West Midlands Rail Investment Strategy: Draft for Consultation**

Ian Baxter presented a report and gave a PowerPoint on the development of the Rail Investment Strategy.

Councillor Barry Durkin expressed some concern that the earliest reference to investment in Herefordshire was in 2034 and asked if this could be brought forward to 2032. Ian Baxter advised that schemes could be accelerated or delayed for various reasons. Councillor Barry Durkin questioned the links to HS2 North. Hon. Ald. Stewart Stacey questioned whether the figures used were an increase in those contained within local authorities Development Plans. He also asked as to the timing of the public consultation exercise on the Strategy. Ian Baxter advised that the consultation exercise would be held during summer and autumn 2018.

Councillor Roger Horton commented that the existing Cross Country franchise amounted to a barrier between east and west of the country. He also reminded the Board of a feasibility study carried out on the Stour Valley some years ago and suggested that this should be re-visited.

Councillor Ken Pollock advised that he had attended a presentation earlier that day on HS2 and on the need for more positive publicity on the opportunities and economic growth it would provide.

Councillor Ian Kettle referred to the effects of national pay agreements and the need for materials and labour to be resourced locally with the skills base being built up. He reminded the Board that improved rail services helped travellers to get into the region as well of out of it.

**AGREED:**

That the report and presentation be received and noted.

**12. Cross Country Franchise Competition Overview**

Toby Rackliff gave a PowerPoint presentation which provided an overview of the Cross Country Franchise Competition. He advised that the views of Transport Focus on traveller priorities i.e. price of tickets, capacity and seat availability had been made known and that the WMR response had included reference to the potential transfer of responsibility for local services to the

WMR franchise. He reported that the consultation exercise would close on 30 August 2018.

The Chair enquired on the impact on Smart Ticketing and also on the need to be robust in the response on any proposals for removing stops. Councillor Roger Horton repeated his earlier comments that this franchise acted as a barrier to travel between east and west and also problems on the Stour Valley Line between Coventry and Wolverhampton with services removed with no replacements being provided.

Hon. Ald. Stewart Stacey commented that the Cross Country Franchise was crucial to the operation of the local network and queried the alternatives to the existing model. He advised that Operators often wanted to travel to destinations at maximum speed which was expensive in terms of track capacity.

Toby Rackliff invited the Board to provide comments on the Cross Country Franchise Competition. The Chair suggested that questions be formulated on the various aspects and circulated to the Board to respond to.

**AGREED:**

1. That a list of questions on the franchise be prepared and circulated to the Board to comment on;
2. That the Chair and Vice Chair be authorised to sign off the response to this consultation on behalf of the Board.

**13. Station Development Projects**

**AGREED:**

That the update on Station Development Projects being actively supported by WMR be noted with any comments being forwarded to Peter Sargent.

*[The meeting ended at 12:10 p.m.]*

**CHAIR**