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Llyr Gruffydd MS
Chair of the Climate Change, Environment, and Infrastructure Committee

26 March 2025

Dear Llyr Gruffydd MS

I am writing to you following the Climate Change, Environment and Infrastructure Committee's annual scrutiny of Transport for Wales on **Thursday 23 January**.

Firstly, I'd like to thank the committee for its scrutiny of our performance, which helps to ensure we provide the best services possible for the people of Wales and its border regions. I appreciate your time and the opportunity to demonstrate the progress we at TfW have seen over the last year, as well as speak to some of our challenges.

During the session I committed to providing further information on several areas raised by the committee members which I hope to satisfy in this letter.

Gender Pay Gap Data

I gave the committee a general overview of our Gender Pay Gap (GPG) data for 2024 and the proactive steps we're taking to gain greater representation of women in our workforce. However, I'd like to take this opportunity to provide some further context and breakdown of the figures to aid the committee's understanding of our current position.

We are required, under UK Government legislation, to report annually on the mean and median GPG, as well as on the proportion of men and women in each pay quartile. For context, the mean gender pay gap demonstrates the difference in the average hourly rate of pay between men and women. The median GPG demonstrates the difference between the middle-paid man and the middle-paid women in an organisation. While the mean GPG can be skewed by a small number of high earners, the median pay is more representative of the difference in what a man or woman gets paid at TfW. Further to this, to examine pay at different levels of the organisation, we've divided our colleagues into four more-or-less equal groups with pay graded from lowest to highest.

Overall, TfW employed 4165 people in April 2024. Of them, 3115 (74.8%) were men and 1050 (25.2%) were women (see figure 1.1). In April 2024, TfW Group employed 791 people. 465 (58.8%) of them were men and 326 (41.2%) were women. This represents a slight increase of 1.7 percentage points in the proportion of women employed compared with last year. In April 2024, TfW Rail employed 3374 people. Of this number, 2650 (78.5%) were men and 724 (21.5%) were women. This represents a slight increase of 0.8 percentage points in the proportion of women employed compared with last year.

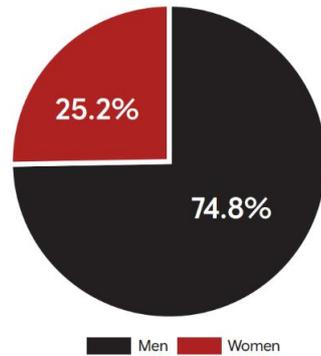


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Figure 1.1: Proportion of staff by gender, overall
TfW, April 2024



In TfW Group, the mean has decreased from 14.9% to 13.6%. There has been a slight increase of 1.2 percentage points in the median from 14.1% to 15.3%. This is largely due to more male new starters in the higher paid roles and more female new starters in the lower paid roles. TfW Rail's median GPG was 14.3% in April 2024. This has reduced by 2.1 percentage points over the past year.

The mean gender pay gap as of 5 April 2023 was 15.2%. As shown in table 1.1 below, this has reduced to 15.0%. The combined figures of TfW Group and Rail have increased from last year. Compared to TfW Group, TfW Rail has a significantly higher proportion of male employees (78.5% versus 58.8%). This means when the two entities are combined, two things occur. First, there are a larger proportion of the women in Group who are in the lower quartiles of the combined figures. Second, more men are in higher paid quartiles due to higher paid roles in Rail such as conductors and drivers. These are historically male dominated roles in the rail industry and, as mentioned in the scrutiny session, poses a challenge for us in terms of attracting more women candidates to address this gender imbalance and the speed with which this can be achieved given our retention rates.

Table 1.1: Gender pay gap, April 2024

	Mean	Median
TfW	↑ 16.6%	↑ 19.6%
TfW Rail	↓ 15.0%	↓ 14.3%
TfW Group	↓ 13.6%	↑ 15.3%

The arrows show whether the gap has increased or decreased on last year.



However, for both TfW Rail and Group, a larger proportion of women are now in the highest and upper middle pay quartile. In TfW Group, the number of women in the highest and upper middle quartiles have risen by 2.4 and 0.7 percentage points respectively. The proportion of women in the lower quartiles has increased by 13.1 percentage points. In the lower middle quartiles, the proportion of women has decreased by 3.4 percentage points. Compared to last year, the proportion of women in TfW Rail’s highest and upper middle quartiles has risen by 0.3 and 0.8 percentage points respectively. There was also an increase in the lower and lower middle quartiles by 0.8 and 0.9 percentage points respectively. Tables 1.4 and 1.5 below represent these figures.

Table 1.4: TfW Rail pay by quartiles, April 2024

	Lowest	Lower middle	Upper middle	Highest
Men	↓ 65.8%	↓ 72.9%	↓ 85.3%	↓ 90.2%
Women	↑ 34.2%	↑ 27.1%	↑ 14.7%	↑ 9.8%

The arrows show whether the proportion has increased or decreased on last year.

Table 1.5: TfW Group pay by quartiles, April 2024

	Lowest	Lower middle	Upper middle	Highest
Men	↓ 53.5%	↑ 55.1%	↓ 55.1%	↓ 71.6%
Women	↑ 46.5%	↓ 45.0%	↑ 45.0%	↑ 28.4%

The arrows show whether the proportion has increased or decreased on last year.

Although we’ve made very positive steps in narrowing the gender pay gap at TfW so far, there is still much to be done. We’ll continue to invest and support in a range of schemes to ensure women feel welcome, we reduce barriers to employment and improve the retention of women from all backgrounds. For example, some of these scheme include:

- Women in Transport LEAD programme,
- Women in Transport Advance mentoring programme
- Women in Rail Moving Ahead Mentoring scheme
- 2025 launch of our internal Women in Leadership programme.

The Welsh Women in Transport Hub and the Wales Women in Rail regional group will also continue its work in offering a range of events to share best practice, knowledge, engaging women across the transport sector and growing a male allyship to the work being undertaken.



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We're also proud to say that our Chief Operating Officer (from 1st April 2025), Marie Daly (formerly our Chief Customer and Culture Officer), is also the chair of Women in Rail and the chair of Women in Bus and Coach, Louise Cheeseman, is a Non-Executive Director on the TfW Board. We believe it's extremely important for our colleagues to see representation of women in leadership roles so that they can grow in confidence and achieve their full potential.

Diversity and Inclusion

We also committed to providing a further update on our efforts to engage with and attract candidates from underrepresented groups. At TfW we're committed to creating an inclusive transport network that everyone in Wales can be proud of, and we know that to achieve this we must strive towards a diverse and inclusive culture. We want to ensure that those from a wide range of backgrounds feel welcomed and belong among their peers and colleagues.

TfW is a disability confident employer, and we recognise the importance of providing opportunities for those with accessibility requirements. In 2024, we won a CIPD award for Best Equality, Diversity and Inclusion Initiative for our work with Wales Council for Deaf People to create a centre of excellence for application support in our Finance Directorate. The initiative resulted in four permanent hires to our Application Support Team, all of which are either deaf or hard of hearing. Further to this initiative, we're making steps to ring-fence suitable roles for disabled people so we can improve our decision making and understand our customers better through a greater range of insights and lived experiences.

We also believe it's extremely important to engage with young people and people from Black, Asian and Ethnic Minority backgrounds to empower them to pursue roles within TfW. We've partnered with a number of organisations, including Amanah L42K Cymru and United 2 Change, to deliver targeted outreach events to raise awareness on the career pathways we offer. Some highlights of this work in 2024 include:

- Sponsorship and attendance of the Industry Insight Networking event held at the Senedd in partnership with Amanah where we engaged with young people on our diverse roles, pathways for apprenticeships and work experience placements.
- Holding a career outreach event in partnership with United 2 Change in which we provided interview and application skills support to young people from Black, Asian and Ethnic Minority backgrounds, as well as an opportunity for attendees to try our state-of-the-art train driving simulator.

We value these partnerships and see them as key to enable us to deepen our understanding of diverse applicants, to identify and manage personal biases and continuously improve skills for inclusive communication and equitable hiring practices.

Further to this engagement work, we offer inclusive and accessible early talent opportunities for young people in Wales. Our online work experience programme was launched in October 2023, which allows for flexible opportunities to reduce barriers and enable wider participation. Our 2023-2024 programme saw 264 students take part, of which:



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- 30% of participants were female
- 44% of participants were from ethnically diverse backgrounds
- 12% of participants indicated that they have special educational needs
- 29% of participants indicated that they were first generation university attendees
- 11% of which were care or care experienced
- 18% of which were eligible for free school meals.

We've also been developing our early talent recruitment processes which are designed to actively promote Equality, Diversity and Inclusion (EDI), ensuring opportunities are fair and inclusive for all candidates. We've made practical steps to make changes to our process including reviewing language in job descriptions and adverts, removing long person specifications and specific academic qualifications where appropriate. We've introduced assessment days that include a variety of activities such as group tasks and problem-solving exercises which allow candidates to showcase their strengths in different ways. In addition to this, we've standardised interview templates, scoring matrixes and an early talent competency framework to ensure consistency as well as a focus on identifying future potential as opposed to experience alone. We aim to have diverse interview panels where possible and will be delivering cultural competence and interviewing skills training for managers. As a result of this work, over the last year, 55% of our graduates, apprentices and interns are women.

As well as implementing practical steps to improve diversity in our workforce, we've also taken the time to look at our recruitment policies to further embed inclusivity into our work. In 2024 we worked with Trade Unions, specialist Diversity & Inclusion organisations, and our diverse Community Partners to review our Recruitment and Selection policy and procedure to ensure we provide equal opportunities for all candidates. Additionally, we're currently undertaking an Equality Impact Assessment for our hiring processes to help us ensure our decisions, practices and policies are fair and do not discriminate against any protected group.

'Positive Steps' Campaign

As part of our effort to attract more women into careers with Tfw, we've delivered 'Positive Steps recruitment events' which aim to inspire and engage diverse talent by showcasing a breadth of opportunities available. A key part of our strategy has been using women in diverse careers, particularly those in traditionally male dominated areas, as the focus of social campaigns and outreach. Highlighting real life examples of women thriving in roles such as engineering, operations and leadership helps challenge stereotype as we believe that representation is crucial to breaking down barriers.

Participation in our 'Positive Steps' activities as a role model is a voluntary opportunity for current and past graduates and apprentices who are passionate about promoting our campaigns to attract more diverse candidates following their successes. These colleagues are given time off-duty to support events and can take time in lieu if required. We absolutely recognise the dedication our role models demonstrate to making Tfw a more inclusive place to work and are open to exploring opportunities to further reward this work following the challenge put forward as part of the scrutiny session.



Fares Simplification Strategy

Over 220,000 fares are currently set by TfW Rail, with a customer perception that rail fares are complex, confusing and unfair which creates a substantial barrier to travel. Much of the complexity comes from before the creation of the Arriva Trains Wales franchise in 2003, where a number of operators (all with distinct fares structures and product sets) were brought together under one banner.

In 2023, TfW began the implementation of a Welsh Government approved Fares Simplification strategy across the network with the intent to deliver transparent pricing and simplified products. Our goal is to attract more users to rail and public transport and improve value for money for our customers. Through our rail fares simplification strategy, we aim to:

- Remove anomalies; historic regulated fare inconsistencies now result in ticket splits and inconsistencies, eroding trust in fares. By removing anomalies, we aim to make fares more logical.
- Introduce single leg pricing; single leg pricing offers a simplified structure, where passengers do not need to choose between single and return tickets. This allows customers to mix and match across a combination of tickets, offering greater value for money overall.
- Correcting regional disparities; The pricing strategy across Wales & Borders has historically varied, leading to inconsistencies across routes which is perceived as unfair by some. Simplification, through implementation of distance-based pricing, offers the opportunity to correct these disparities.
- Improve revenue position; simplified, attractive fares are expected to increase journeys across the network. The unregulated, dedicated fares used for much of the network also allow for a greater proportion of revenue to be retained by TfW.
- Improve customer experience; by using 'airline style' train specific fares, quotas per train can be demand based and loadings can be managed using price as an incentive. Pay-As-You-Go (PAYG) offers frictionless, accessible tickets that encourage customers to travel and improves value.

Further to this, our network can be broadly split into three market segments with distinct features: **Interurban Routes**, **Metro Routes** and **Scenic Routes**. This approach acknowledges the different customers and communities served as well as the varying journey patterns and purposes within each market segment.

For our interurban areas, we believe that the best value can be delivered by improving the range of Advance fares available (including on the day of departure) and by removing legacy fares that offer little value to the customer. The approach introduces unregulated, distance-based Advance fares which are priced below the regulated fares. Here, by using 'airline style' pricing which match demand to capacity, we have a better opportunity to manage customer experience. Further to this, with single-leg Advance ticketing, customers will have the flexibility to mix and match with confidence that they've been offered the best value fare. The bulk of customers on these routes already purchase digital tickets via an app and our strategy seeks to embrace this behaviour.



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For our metro routes, we believe that best value can be delivered by introducing simple unregulated 'tap in, tap out' distance-based PAYG. This matches the 'turn up and go' travel on a high frequency metro system. Customers in these areas can then also benefit from daily and weekly fare capping to further improve value for money and offer incentives for more frequent travel. This is a move away from out-of-date Peak and Off Peak definitions that no longer match demand trend.

For our scenic routes, we recognise that in order to better compete with the private car we need to design fares and products that are truly multimodal. By introducing and improving unregulated zonal products in these regions we can reach new customers. Digitalisation of products is also another important component to delivering against this ambition to better reach domestic and international tourism markets. Zonal products will allow unlimited travel for a set period of time by public transport across these areas and incorporates the Traws Cymru network to enable different public transport modes to link together to improve the overall proposition.

Whilst each market segment is different, they are all supported by the concept of introducing fixed £/mile base fares, establishing a more consistent relationship between single and return prices, and replacing Peak and Off-Peak ticketing with demand-led pricing as a more nuanced alternative.

Climate Change Adaptation and Resilience Plan

In order to increase our response to climate risks, we've developed a comprehensive Climate Adaptation and Resilience Plan (CARP) to provide strategic direction and governance with the aim to ensure that climate resilience is embedded into new assets, maintenance programmes and decision-making processes. The CARP is informed by and draws evidence from a range of sources, including Welsh policy and legislation such as the Environment (Wales) Act 2015 and the Well-being of Future Generations (Wales) Act 2015.

TfW exists to drive forward the Welsh Government's vision of creating a "high-quality, safe, integrated, affordable and accessible transport network that the people of Wales are proud of". One way in which we strive to deliver on this vision is by enhancing the climate-resilience of our networks and operation through successful adaptation. The CARP outlines our objectives that are key to achieving this:

- Ensure climate change resilience is embedded in everything we do
- Assess climate change risks across all TfW networks and operations
- Design and implement solutions that reduce the impacts from future climate change
- Enable timely recovery from the impacts of adverse weather
- Collaborate with external partners to reduce TfW's vulnerability to cascading failures.

The Core Valley Lines network is owned and managed by TfW, and we're directly responsible for adapting this asset. However, as many of services run across non-TfW owned networks, we work closely with other infrastructure owners, such as Network Rail, to adopt climate-resilience across the wider transport network. With this in mind, the CARP also outlines our top priority actions such as developing management and response plans for extreme weather events; embedding the required climate change risk assessments into all TfW major projects (such as North Wales Metro) and existing policies; conducting a



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comprehensive assessment of climate risk across the CVL network, including stations and depots; and developing climate change adaptation pathways for the CVL.

Since publishing our CARP in 2023, we've begun delivering against our commitments to climate adaptation. For example, we conduct site specific climate change risk assessments for our key assets, routes and facilities to account for the effects of climate change. These findings are used to implement mitigating measures to ensure we maintain a high standard of safety and service for our customers and key stakeholders. Measures include but are not limited to:

- Proactive maintenance schedules and condition monitoring
- Planning for adverse weather and implementing necessary control measures
- Appointing contractors to attend affected sites to conduct emergency maintenance and repairs on any sites and TfW assets that are affected by floods and storms, for example.

Further to this, we're currently in the process of embedding climate change risk assessments as a requirement within all TfW major projects to ensure that early consideration of opportunities for resilience and adaptation can be realised and acted upon. This also includes revisions to existing and proposal of new policies.

Audit Wales Active Travel Report

As part of the scrutiny session, members of the committee referenced [Audit Wales' Active Travel report](#), published in September 2024. **Recommendation 7** was raised which advises that TfW take steps to further strengthen safeguards relating to the involvement of Sustrans officers in the appraisal of Active Travel Fund bids in order to manage risks around duplication of public funding and conflicts of interest.

At the point the Audit Wales report was published, existing measures were in place to minimise these potential risks where Sustrans officers were supporting the appraisal of funding applications. All assessors, including Sustrans officers, are required to complete a Conflict of Interest form ahead of participating in the evaluation process, which is intended to identify all potential biases that may influence the appraisal. Additionally, where funding is being sought by a Local Authority for an ongoing scheme development project on which a Sustrans officer is involved, the officer will not be permitted to take part in the assessment for that scheme.

However, in line with Welsh Government's response to the Audit Wales report and to further strengthen our safeguarding measures, it has been agreed that Sustrans provide regular updates to both Welsh Government and TfW on any work they are carrying out on behalf of Local Authorities. In December 2024, following publication of the Audit Wales report and ahead of the Active Travel Fund assessment period commencing, TfW received confirmation from Sustrans of the Local Authority projects that their officers are currently supporting. This was considered when planning the resources required to support the appraisal process and, further to this, we're committed to reviewing safeguards on an ongoing basis to ensure they are robust and effective.



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Again, I'd like to say thank you for your time and diligence in your scrutiny of TfW. I hope that this letter provides further information on some of the points raised by members during the session. If there is anything you'd like me to further expand on, then please let me know.

Kind regards,

James Price
Prif Weithredwr / Chief Executive