

MINUTES OF SCOTTISH RAIL HOLDINGS LIMITED (SRH) BOARD MEETING

Date 27th April 2023
Time 10.00 – 12.00 UK time
Location Queen Street Management Suite / Microsoft Teams*

Present: Richard Cairns (RC) – Chair
David Lowrie (DL) – Chief Executive
John MacQuarrie (JM) – Business Rail Director
Emma Dixon (ED) – General Counsel and Company Secretary
Roz Foyer (RF) – Non-Executive Director
Lee Shedden (LS) – Non-Executive Director
Carolyn Griffiths (CG) – Non-Executive Director

In attendance Bill Reeve (BR) – Transport Scotland Sponsor Representative
Campbell Davidson (CD), SRH Financial Controller
Michelle Hampsey (Minute taker)

Apologies:

Agenda No:	Subject	Action For
1.	<u>Welcome – Notice & Quorum</u> The Chair welcomed all and noted the meeting was quorate.	
2.	<u>Board Appointments</u> The Board noted that the new director appointments were announced by Transport Scotland on 26 th April 2023 and that Richard Cairns and Carolyn Griffiths have joined the Board as Chair and non-executive director respectively.	
3.	<u>Declarations of Interest</u> No changes were noted and the register will be updated to reflect new board members' interests.	
4.	<u>Conflicts of Interest Register</u> None noted.	
5.	<u>Minutes from Previous Meeting</u> The Board approved the minutes from the 30 th March and 31 st March 2023 meeting, noting that these had also been reviewed by the previous Chair.	
6.	<u>Actions arising from previous meeting (30th March 2023)</u> Item 16, 17 & 18 – the Board agreed to roll these items into one and arrange for Transport Scotland to present to the Board on these matters as soon as practical. Item 41 – the Board requested to be involved in the Gateway Review and asked that a paper be brought to the next Board meeting	BR/ED BR/ED

	outlining the process, expectations and outcomes.	
7.	<p><u>Chief Executive's Executive Summary: paper 2303-03</u> David Lowrie presented this paper, highlighting in particular the ongoing requirement to resolve ScotRail Trains Limited's (SRT's) 2033/24 budget and the challenge to bridge the medium-term gap between the Scottish Government's available funding envelope and the subsidy needs of the SRT business.</p> <p>The Board considered SRT's passenger revenue, industrial relations and the forthcoming peak fares trial including consideration of the various possible scenarios. The Board requested that its comments be fed back to SRT who are working on a proposal.</p> <p>The Board noted progress and emphasised that SRT must articulate the budget implications of fares pricing remaining at current levels.</p> <p>The Board noted that the paper mentions a "House of Cards" paper on future fleet strategy presented at a previous meeting and requested that this be provided to new Board members. The Board observed that the high-level potential options for the fleet require to be shared across stakeholders to ensure meaningful output.</p> <p>The Board was advised that a fleet strategy paper will come to the Board in May for onward submission to the Strategic Rail Board.</p> <p>The Board noted the paper.</p>	<p>JM</p> <p>DL</p>
8.	<p><u>ScotRail Trains Limited and ScotRail Holdings Limited Operational & Performance Update: paper 2303-04</u> John MacQuarrie presented the paper, highlighting the current key issues and updating on performance planning, delivery, and forward planning, noting also the ongoing evolution of performance reporting, and that a driver planning update is expected to be brought to the next Board meeting.</p> <p>The Board requested that available data regarding reliability of the diesel stock, including comparisons and facts (past, peers and plan) be presented at the next Board meeting.</p> <p>The Board agreed that, in advance of the next Board meeting, members should email John MacQuarrie with any questions which will provide adequate time to prepare a response.</p> <p>The Board noted the paper.</p>	<p>JM</p> <p>All Board</p>
9.	<p><u>ScotRail Trains Limited and Scottish Rail Holdings Limited Finance Update: paper 2303-07</u> Campbell Davidson presented the paper, which summarises the SRH Group Rail Period 13 provisional results, the FY23 provisional outturn for each Scottish Government colour of money budget category, an update on FY24 budgets and other governance matters that the</p>	

	<p>Board should be aware of.</p> <p>The Board requested a session with Mr Davidson be arranged for non-executive Board members guided through SRH's financial arrangements and reporting.</p> <p>The Board noted that the revised SRT Budget is due to be delivered to SRH on 28th April. This will be appraised by the SRH team in the expectation that it will then be presented to the Board, noting that a special Board meeting may be required before the next scheduled date.</p> <p>The Board noted the paper.</p>	<p>CD</p> <p>DL/CD</p>
<p>10.</p>	<p><u>Caledonian Sleeper Mobilisation – verbal update and Risk Register</u></p> <p>John MacQuarrie presented this paper, updating the Board on the status of the Caledonian Sleeper mobilisation project and potential associated risks and mitigations.</p> <p>The Board was satisfied that the reported risk mitigations are appropriate for the project, and suggested improvements in the recording of the mitigating actions section, to be communicated back to the mobilisation team holding the risk register.</p> <p>The Board noted the paper.</p>	<p>JM</p>
<p>11.</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>(LS left the meeting at 12.00 noon.)</p>	<p>JM</p>

	<p><u>SRH Staff Resourcing – verbal update</u> John MacQuarrie updated the Board on the additional future resourcing requirements within SRH.</p> <p>The Board noted that the Chair and the Transport Scotland Sponsor Representative will meet to discuss SRH management resourcing, noting that there will be two train operating companies in the SRH group from 25th June 2023.</p> <p>The Board requested that a report on the existing SRH staff complement with proposed structure changes be presented to the next Board meeting, noting that SRH staff need to be engaged in the process and have clarity of purpose on what SRH is about and the Board’s expectations.</p> <p>The Board observed that the expansion of the SRH group may impact upon Board committee meetings and commitments. The Company Secretary was requested to review the Terms of Reference for Committee meeting and present to a future Board meeting.</p>	ED
13.	<p><u>Any other business:</u> <u>Proposed Introduction of a tariff for use of Electrical Vehicles (EV) Charging Infrastructure at SRT Stations</u></p> <p>John MacQuarrie presented a late agenda item highlighting a change in the recommendation from the paper previously approved by the Board on 30th March regarding the proposed introduction of user charges for electric vehicles.</p> <p>The amendment is proposed in light of initial feedback from Transport Scotland and recommends that tariff proposals be shared with Ministers and the Sponsor prior to implementation, to ensure any appropriate input that may be required prior to implementation.</p> <p>The Board commented that SRT’s EV charging pricing should be reflective of the dynamic market.</p> <p>The Board approved the amendment to the recommendation in the paper.</p>	
	Date of next meeting: Thursday 25th May at Glasgow Queen Street Station Management Suite.	