



## MINUTES OF SCOTTISH RAIL HOLDINGS LIMITED BOARD (SRH) MEETING

**Date** 22<sup>nd</sup> June 2023  
**Time** 10.00 – 12.30 UK time  
**Location** Queen Street Management Suite / Microsoft Teams\*

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

**In attendance** Bill Reeve (BR) – Transport Scotland  
Campbell Davidson (CD), SRH Financial Controller  
Alastair Richards (AR) – Transport Scotland  
Sarah Aiken (SA) – Transport Scotland  
John Provan (JP) – Transport Scotland  
Jon Newton – SRH Head of New Fleet Procurement & Delivery (Items 6 & 7)

**Apologies:** Lee Shedden (LS) – Non-Executive Director

Agenda No:	Subject	Action For
1.	<b><u>Welcome – Notice &amp; Quorum</u></b> Noted and Quorate.	
2.	<b><u>Declarations of Interest</u></b> No changes noted.	
3.	<b><u>Conflicts of Interest Register</u></b> No conflicts noted.	
4.	<b><u>Caledonian Sleeper Mobilisation</u></b>  The Rail Business Director updated the Board on the preparations and readiness for the transfer of the Caledonian Sleeper rail operation to Caledonian Sleeper Limited (CSL).  The SRH General Counsel confirmed that the Framework Agreement Amendment for CSL was approved at the Board meeting on 20 <sup>th</sup> June and had since been signed.  The SRH General Counsel reminded the Board of the discussion at the special Board meeting held on 20 <sup>th</sup> June regarding the CSL Grant Agreement and the observations raised by Board members concerning their level of oversight of the diligence undertaken by the Transport Scotland Mobilisation Team.	

	<p>It was noted that further discussions between the SHR Executive team and the Mobilisation Team had taken place regarding appropriate assurances for the transfer required by the Board, and it was proposed that a side letter be entered into between Transport Scotland, SRH and CSL, with a view to implementing a review of, and appropriate changes to, the CSL Grant Agreement (which would also permit if necessary revision to the Grant Agreement).</p> <p>Transport Scotland confirmed that it had received a draft form of letter from SRH and reached agreement in principle, subject to some draft amendments, noting the commitment in the side letter to a review of the process and acknowledgement that this may lead to the amendment of the relevant agreements.</p> <p>Roz Foyer requested that employee representative on both subsidiary company boards, in the spirit of partnership, be explored as part of this review.</p> <p>The Board <b>resolved</b> that the authority be delegated to the Chair, Chief Executive and General Counsel to agree the final version of the side letter to the Grant Agreement to reflect the issues discussed and, subject to this being finalised, <b>approval</b> for SRH to enter into the CSL Grant Agreement was granted.</p> <p>The Chair thanked everyone involved in the mobilisation of CSL for their hard work.</p>	<p>JM/ED</p> <p>RC/DL/ED</p>
<p>5.</p>	<p><b><u>ScotRail Trains Limited 2023/24 Budget</u></b></p> <p>The Financial Controller presented this paper, noting that ScotRail Train Limited (SRT) has a Financial Year 2023/24 P&amp;L budget covering Rail Periods 1-3, as approved by the Board on 31<sup>st</sup> March 2023.</p> <div data-bbox="338 1420 1257 1832" style="background-color: black; width: 100%; height: 184px; margin: 10px 0;"></div> <p>The Board <b>approved</b> SRT's budget proposal for the Financial Year 2023/24.</p> <p>The Sponsor Representative noted his thanks to SRH and the Board getting the budget in place in challenging circumstances.</p>	

<p>6.</p>	<p><b><u>Intercity Fleet</u></b></p> <p>The Head of New Fleet Procurement &amp; Delivery joined the meeting to present this paper along with the Rail Business Director. It was noted that the paper considers the issues relating to future high-speed train (HST) deployment, including electrification delay and further prospective delivery risks.</p> <p>[REDACTED]</p> <p>The Board discussed the paper in detail and <b>agreed</b> that a four-way meeting of all stakeholders (SRH, SRT, Transport Scotland and Network Rail) was imperative and should be convened as soon as possible to ensure a collective discussion and approach.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The Board <b>noted</b> the content of the paper and next steps including its presentation to the Strategic Rail Board in July.</p>	<p>JM</p> <p>JM</p>
<p>7.</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	

	[REDACTED]	
8.	<p><b><u>Gateway Review Update from Transport Scotland</u></b></p> <p>The Sponsor Representative gave a verbal update to the Board on the Gateway Review process, noting that he anticipated receiving the final report in the next week. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>Next steps were noted for the conclusion of the review, followed by evolution of the steps and funding resources required for the changes noted.</p> <p>The Board <b>noted</b> the update and requested that non-executive directors' time commitment to SRH be reviewed as part of this process.</p> <p>The Chair thanked the Sponsor Representative for the update.</p>	
9.	<p><b><u>Chief Executive's Executive Summary: paper for noting</u></b></p> <p>The Chief Executive presented this paper highlighting key areas for the Board to note. The Chair requested that the key points raised in the paper be summarised for the Chair's letter to the Minister.</p> <p>The Board <b>noted</b> the paper.</p>	DL
10.	<p><b><u>ScotRail Trains Limited and ScotRail Holdings Limited Operational &amp; Performance Update: paper for noting</u></b></p> <p>The Rail Business Director presented this paper, highlighting key operation and performance updates. The Board noted that the paper had not been available on Admin Control and <b>requested</b> that the paper be uploaded and that any questions be sent to directly to the Rail Business Director.</p>	
11.	<p><b><u>ScotRail Trains Limited and Scottish Rail Holdings Limited Finance Update</u></b></p> <p>The Financial Controller presented this paper which summarises the SRH and SRT Rail Period 2 results and provides an update on SRT's FY24 budget and other governance matters that the Board should be aware of.</p>	

	The Board <b>noted</b> the paper.	
12.	<p><b><u>Minutes from previous meetings (25<sup>th</sup> May &amp; 27<sup>nd</sup> April 2023)</u></b></p> <p>The minutes from the meeting on 27<sup>th</sup> April were <b>approved</b>.</p> <p>It was noted that pressures on time due to the CSL mobilisation had resulted in the late issuing of the 25<sup>th</sup> May minutes, and it was <b>requested</b> that any comments on these be sent directly to the General Counsel.</p>	ED
13.	<p><b><u>Actions arising from previous meeting (25th May 2023)</u></b></p> <p>Nothing new to note, updates in tracker.</p>	
14.	<p><b><u>Board lookahead</u></b></p> <p>The Board <b>noted</b> the upcoming Caledonian Sleeper Strategy Day for the SRH team and committed to hold informal 'meet the team' lunches in due course.</p>	
15.	<p><b><u>Any other business:</u></b></p> <p>It was proposed and agreed that SRH should have a resource to cover safety aspects and monitoring of SRT and CSL. It was <b>requested</b> that work to identify the role and procurement of a safety specialist be progressed, including a request to Transport Scotland for funding.</p>	DL/CD
	Date of next meeting: Thursday 17 <sup>th</sup> August 2023 at Glasgow Queen Street Station Management Suite.	