

MINUTES OF SCOTTISH RAIL HOLDINGS LIMITED BOARD (SRH) MEETING

Date **16 November 2023**
Time **12.00-16.00 UK time**
Location **Queen Street Management Suite / Microsoft Teams***

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

In attendance: Bill Reeve (BR) – Transport Scotland
 Campbell Davidson (CD) – SRH Financial Controller
 Alex Hynes (AH) – Scotland’s Railway Managing Director (item 3 only)
 Joanne Maguire (JHM) – ScotRail Chief Operating Officer (item 3 only)
 Jon Newton (JN) – Head of New Fleet (item 4 only)
 Michelle Hampsey (Minute taker)

Apologies: None.

Agenda No:	Subject	Action For
1.	<u>Welcome – Notice, Apologies & Quorum</u> Noted and quorate.	
2.	<u>Declarations of interests and conflicts</u> No new interests or conflicts noted.	

SRH Matters

3.	<p><u>SRT Fleet Performance - Presentation from Alex Hynes, Scotland’s Railway Managing Director and Joanne Maguire, ScotRail Chief Operating Officer</u></p> <p>The Chair welcomed AH and JHM to the meeting to present an update on ScotRail Trains Limited (SRT).</p> <p>JHM provided update on the six-month peak fares removal trial, noting that it was launched in autumn so limited data at present [REDACTED] noting that SRT is utilising CCTV and an internal reporting app to monitor crowding.</p> <p>[REDACTED]</p>	
----	--	--

[REDACTED]

[REDACTED]

AH presented an update on recent extreme weather events, noting its successful handling by Scotland's Railway. There is a full-time meteorologist in control centres, meaning that better decisions are made. AH explained that Scotland is affected by extreme weather more than the rest of the UK. SRT's industry leading social media team continues to keep passengers informed on services changes and Scotland's Railway will continue to undertake lessons learned exercises each autumn as weather becomes increasingly challenging.

Fleet performance

AH began with an overview on SRT's fleet, and highlighted that:

- better fleet performance is needed and that improvement plans are now rolling out to staff depots;
- SRT has a large, aging, fleet that requires investment to maintain performance as it continues to age. By 2030 SRT could have the second oldest fleet in the UK;

- [REDACTED]
- improving the performance of the high-speed train fleet is critical for the overall performance of the fleet;
 - to deliver the 92.5 PPM performance target in the Grant Agreement, investment in new fleet is required;
 - SRT is changing the ways in which it recruits, with good early indications and will lead to a gradual improvement in the fleet.

There was a discussion on the priorities and longer-term needs of SRT to deliver improved fleet performance.

Staffing

JHM described the challenges around staffing and highlighted that the HSTs availability has a knock-on impact on Borders and other services. The large vacancy gap since persisted since ScotRail moved to public sector. Scottish unemployment is at all low and lower than rest of UK, this is an issue in all industries not exclusive to the railway. JHM explained that a new HR Director has been in post since May and changes in the recruitment process are now underway. SRT has changed focus and already reduced its vacancy gap by 110 roles. By summer 2024 SRT will be fully staffed for maintenance and it will take a further 18 month programme to resolve the issues.

The Board welcomed the reporting and success on recruitment and asked SRT to give due consideration to embedding this in the fleet improvement action plans.

The Board requested the AH and JHM return to the Board in six months with a further update.

	<p>The Chair thanked AH and JHM for their informative presentation. AH and JHM left the meeting.</p> <p>Actions:</p> <ul style="list-style-type: none"> • JM to confirm baseline passenger growth figures. • CG to be provided with SRT's climate action plan. • AH to track the impact of maintenance actions taken to improve fleet performance for HSTs and 334s and report to Board. • AH and JHM to update the Board on progress in six months' time. 	
	<p><u>Fleet Renewal Strategy</u></p> <p>JN presented this paper to update the SRH Board on the Rail Services Decarbonisation Action Plan refresh, fleet renewal strategy and the timing of Transport Scotland's (TS's) associated governance processes.</p> <p>The Board noted the paper and discussed:</p> <p>[REDACTED]</p> <p>The Board requested a copy of the relevant papers going to the IDM meeting for material comments on the recommendations, noting that these are TS policy papers rather than SRH/SRT papers however it is important for the Board to see these. It was agreed that future papers should be sent to the Board in advance.</p> <p>Governance of the future fleet decision making was considered. The Board observed that it should have the opportunity to feed into any papers going to the IDM and that engagement with other stakeholders, such as Network Rail and SRT, is also required. The Board noted appropriate oversight of matters going to the Fleet Sub-Committee was necessary and it was agreed that the terms of reference should be reviewed by the General Counsel.</p> <p>The Board recognised that there are risks associated with fleet replacement and the projects must be managed in such a way as to mitigate such risks. The importance of working with the Scottish Government and TS to mitigate risk was noted.</p> <p>Actions:</p> <ul style="list-style-type: none"> • JN to circulate draft papers for IDM (suburban fleet and interim intercity fleet) to the Board to provide any comments material to the recommendations. • ED to review the Fleet Sub Committee terms of reference and 	

	<p>membership and make recommendations to ensure the Board has appropriate oversight and decision-making.</p> <p>[REDACTED]</p>	
5.	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
6.	<p><u>SRH Annual Report & Accounts Update</u></p> <p>The CEO and Financial Controller gave an update on progressing towards finalising the SRH annual report and accounts for its first period of trading to 31 March 2023. It is anticipated that report and accounts will be presented to the Board for approval in the week commencing 11th December.</p> <p>The accounts are required to be laid in the Scottish Parliament and will then be filed at Companies House.</p> <p>The Board noted its thanks to James Griffin and Alyson Wood (SRT) for their work supporting this.</p>	
7.	<p>[REDACTED]</p> <p>[REDACTED]</p>	

	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
--	---	--

Standing Agenda Items

8.	<p><u>Chief Executive's Executive Summary</u></p> <p>The CEO presented this paper, highlighting that [REDACTED]</p> <p>[REDACTED]</p> <p>The Board discussed the following issues:</p> <ol style="list-style-type: none">1. The Chief Executive's mandate to recruit additional interim staff. The Board was informed of progress, including the intention to make the first offer tomorrow will consider existing staff and roles.2. The requirement to bring in human resourced consultant to support this work.3. Urgency of interim resources to support the General Counsel and Financial Controller.	
----	---	--

	<p>The Board requested that the Chief Executive and Rail Business Director prepare a report by end of January on the proposed future organisational structure of SRH.</p> <p>The Board further noted that safety resource needs to be looked at now and discussed whether a current SRH employee could take this on an interim basis.</p> <p>Action:</p> <ul style="list-style-type: none"> DL and JM to prepare a report by end of January on the proposed future organisational structure of SRH. 	
9.	<p><u>ScotRail Holdings Limited, ScotRail Trains Limited and Caledonian Sleeper Limited Operational & Performance Update</u></p> <p>The Board noted this paper.</p>	
10.	<p><u>ScotRail Holdings Limited, ScotRail Trains Limited and Caledonian Sleeper Limited Finance Update</u></p> <p>The Financial Controller presented this paper, which was noted by the Board.</p> <p>Action:</p> <ul style="list-style-type: none"> Significant matters to be highlighted in the first section of future reports. 	
11.	<p><u>SRT Monthly Communications Report</u></p> <p>The Board noted this paper.</p>	
12.	<p><u>Minutes from previous meeting (19 October 2023)</u></p> <p>The minutes were approved subject to one amendment (deletion of governance note).</p>	
13.	<p><u>Actions and matters arising from previous meeting (19 October 2023)</u></p> <p>Noting timing, the Board agreed to carry this item over to the next meeting.</p>	
14.	<p><u>Any other business</u></p> <p>Action:</p> <ul style="list-style-type: none"> The Board agreed that, once every quarter, the meeting should focus primarily on the standing item papers. 	
15.	<p><u>Board lookahead</u></p> <p>The Chair noted some additional items to be added to the lookahead.</p>	
	Date of next meeting: Thursday 14 th December 2023 at St Vincent Plaza, St	

	Vincent Street, Glasgow.	
--	--------------------------	--

DRAFT