



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

**Date** 14 December 2023  
**Time** 12.00-15.00 UK time  
**Location** Queen Street Management Suite / Microsoft Teams\*

**Present:** Richard Cairns (RC) – Chair  
Brian Baverstock (BB) – Non-Executive Director \* (from 13.30)  
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 Sponsor Representative  
Campbell Davidson (CD), SRH Financial Controller  
[Redacted] (Minute taker)

**Apologies:** None

Agenda No:	Subject
1.	<b><u>Welcome – Notice, Apologies &amp; Quorum</u></b> Noted and quorate. The Chair thanked all involved in setting up the new interim office.
2.	<b><u>Declarations of interests and conflicts</u></b> No new interests or conflicts noted.
<b>SRH Matters</b>	
3.	[Redacted]
4.	<b><u>Strategic Rail Board meeting</u></b> The Chair provided a summary on the recent Strategic Rail Board (SRB), chaired by Alison Irvine, CEO of TS.  The Board requested that the minutes of the meeting be made available to the Board once they are issued by TS and that the Board is sent the agenda in advance of each SRB meeting. It requested that the SRB terms of reference should be made available to the Board.  The Chair noted that TS has confirmed that the Gateway Review report will be provided to SRH.  The draft SRH Strategic Plan recently submitted to TS had been acknowledged, noting

the intention to develop a more comprehensive plan over time.

The General Counsel explained to the Board that as part of TS's governance review project a steering group has been set up, which she and the Rail Business Director attend alongside TS representatives. It will work through the recommendations from gateway review.

The Board requested a presentation at a future board on the governance review and to provide an update on progress.

The TS Sponsor Representative updated the Board on the recent TS Investment Decision Making (IDM) meeting, where replacement of the suburban fleet was discussed. He reported that the presentation on the replacement of the fleet was excellent and a positive example of joint working effort by TS, SRH, SRT and Network Rail, and thanked all those involved. The role of the IDM was discussed in detail and the Board noted that any papers going to this meeting which have had input from SRH should go through the SRH Board so that those who attend are authorised to speak on behalf of SRH. The Board requested the IDM terms of reference.

**Actions:**

- Board to receive SRB minutes and future meeting agendas (ED).
- SRB terms of reference to be provided to the Board (ED).
- Presentation on Governance Review project (ED/JM).
- Terms of reference for TS's Investment Decision Meeting (IDM) to be circulated (BR).

<p>5.</p>	<p><b><u>Scottish Rail Holdings Limited Annual Report and Accounts</u></b></p> <p>CD gave an update on the previous day’s Audit &amp; Risk Committee (ARC) meeting, explaining that that Board had been provided with a copy of the final version of the annual report and accounts, as amended, to reflect the changes/outcomes agreed at the ARC meeting.</p> <p>The ARC chair (BB) confirmed that a thorough and fair audit of the accounts had been conducted by Audit Scotland and explained the process that SRH had gone through with the auditors to finalise the draft report and accounts. He said that he was satisfied that the amendments discussed at the ARC meeting had been resolved and that none of these changed the overall conclusions of the report. He confirmed that the ARC recommended the 2022/23 report and accounts to the Board for approval and filing, noting the requirement for these to first be laid before the Scottish Parliament.</p> <p>CD took the board through the changes made to the document since circulation of an earlier draft on 8<sup>th</sup> December.</p> <p>The Board noted that Audit Scotland’s 2022/23 SRH annual report contained recommendations and actions. It was agreed that the Board would review the report at its next meeting, with a timeline and committed resources to be agreed to fulfil such actions.</p> <p>The Board further noted the Executive’s intention to conduct a ‘lessons learned’ exercise with the group companies in the new year to identify and make improvements to the annual reporting process.</p> <p>The Board noted its thanks to all involved in the annual report and accounts preparation process, and in particular Campbell Davidson, [Redacted] and Audit Scotland.</p> <p>The Board authorised the CEO to sign the accounts and accompanying letter, and to arrange for these to be filed with Companies House following their laying before the Scottish Parliament.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• Note of thanks to all those that worked on the Annual Accounts, including Audit Scotland (RC).</li> <li>• Final version of the Auditor’s letter and report to be circulated to the Board (CD).</li> <li>• Lessons learned from audit process to be organised at the appropriate point next year (ED/CD).</li> <li>• Audit Scotland’s SRH 2022/23 Report to be discussed in greater detail at the January Board meeting (ED).</li> </ul>
<p><b>Standing Agenda Items</b></p>	
<p>5.</p>	<p><b><u>Chief Executive’s Executive Summary</u></b></p> <p>The CEO presented this paper highlighting the key issues. The Board discussed the [Redacted]</p> <p>The Board noted that the [Redacted] has been commissioned to provide analysis on</p>

	<p>the wider economic benefits of the Caledonian Sleeper service.</p> <p>The Financial Controller confirmed that an exercise was ongoing to review [Redacted] following the Caledonian Sleeper transfer to public ownership, noting that CSL is in its first year and has no comparisons to make. The findings will be made available to the Board in due course.</p> <p>[Redacted]</p> <p>The Board discussed SRT's fleet performance and progress on specific issues, noting that fleet improvement plans are to be presented to the SRT Board in January. There was further discussion regarding the data provided to TS in respect of fleet performance.</p> <p><b>Actions:</b></p> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• SRH and TS to agree required content of daily performance reports to TS (JM/BR).</li> </ul>
6.	<p><b><u>ScotRail Holdings Limited, ScotRail Trains Limited and Caledonian Sleeper Limited Operational &amp; Performance Update</u></b></p> <p>The Rail Director presented this paper and the Board discussed additional information that should be incorporated, noting that more focus on performance review is required, to include the impact of actions taken and relevant timeframes.</p> <p>The Board discussed SRH's structure, noting that defining structure, roles and responsibilities across the group is key and that SRH should logically implement the recommendations in Audit Scotland's report.</p> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>• Chair and JM to discuss the format and content of the operational and performance update report.</li> <li>• Chair and BB to discuss Audit Scotland's recommendations in more detail.</li> </ul>
7.	<p><b><u>SRT Monthly Communications Report</u></b></p> <p>The Board noted this paper.</p>
8.	<p><b><u>Minutes from previous meeting (16 November 2023)</u></b></p> <p>Minutes from 16 November 2023 to be reviewed at next meeting.</p>
9.	<p><b><u>Actions and matters arising from previous meeting (16 November 2023)</u></b></p> <p>Actions from 16 November 2023 meeting to be reviewed at next meeting.</p>
11.	<p><b><u>Any other business</u></b></p> <p>A policy compendium matter was raised and it was agreed that JM and BR should separately discuss.</p>

12.	<b><u>Board lookahead</u></b>  The Chair noted some additional items to be added to the lookahead.
	Date of next meeting: Thursday 11 <sup>th</sup> January 2024 at St Vincant Plaza, St Vincent Street, Glasgow.