



MINUTES OF SCOTTISH RAIL HOLDINGS LIMITED BOARD (SRH) MEETING

Date 8 February 2024
Time 12.00-15.30 UK time
Location St. Vincent Plaza / 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 Sponsor Representative
Campbell Davidson (CD), SRH Financial Controller
Kathryn Darbandi (KD) – CSL Managing Director (items 3 & 4)
Sam Price (SP) – CSL General Counsel (item 4)
Jon Newton (JN) – SRH Head of New Fleet (items 8 and 9)
[Redacted] (Minute taker)

Apologies: None

Agenda No:	Subject
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.	<u>Caledonian Sleeper Limited (CSL) Overview</u> The CSL Managing Director presented an overview of CSL's 2024/25 draft business plan, noting that 2023 was a very successful year that exceeded all operational and revenue targets. Whilst the transition was successfully delivered the Board noted there is significant further work to do to bring the business to a steady state operating model and fully transitioned away from [Redacted]. The 2024/25 Business Plan heavily features achieving these objectives whilst simultaneously maximising performance and setting the foundations for future strategic opportunities. The Board discussed the presentation and the Business Plan, noting that CSL has commissioned the [Redacted] to better understand the benefits of the sleeper service

to Scotland and its economy.

The Board asked about future business development proposals and noted this will feature more in CSL's 3-year plan.

Carolyn Griffiths confirmed that the safety KPIs are still to be agreed

People, Reactive Maintenance Schedule, Digital Transformation and Customer Relationship Management were discussed.

Brian Baverstock thanked Kathryn Darbandi for a very informative presentation.

The Chair commented that CSL is a driver of development in communities all parties should be made aware how much the sleeper is important to them.

Bill Reeve commented that a locomotive strategy is only 6 years away, this isn't a long time, and there would then be scope for further yield management.

Kathryn Darbandi thanked Sam Price for his work on the Business Plan.

The Board requested that it was kept apprised of the [Redacted] and any subsequent consequences such as [Redacted]

The Chair thanked Kathryn Darbandi for a very informative presentation.

<p>4.</p>	<p><u>CSL Grant Agreement</u></p> <p>The CSL General Counsel highlighted to the board that at the November 2023 CSL Board, an update paper was presented on progress with the CSL Grant Agreement Review. The Board noted the good progress which had been made to date and requested that further work should be undertaken to provide assurance on the deliverability of the Grant Agreement as revised and to ensure any residual compliance risks, including budget exposure had been understood and appropriately mitigated.</p> <p>Emma Dixon reported that the CSL Board had already approved this and it would now be provided to the SRH Board.</p> <p>Sam Price introduced himself and explained how the CSL Grant Agreement review had been conducted and identified areas that need more work.</p> <p>In respect of the derogation letter, it was agreed that Emma Dixon and Sam Price would meet Carolyn Griffiths and Brian Baverstock to discuss the areas of concern and draft a letter by next Friday.</p> <p>Revised derogation letter to be submitted to TS.</p> <p>Actions:</p> <ul style="list-style-type: none"> • Emma Dixon and Sam Price would meet Carolyn Griffiths and Brian Baverstock to discuss the areas of concern and draft a revised letter by next Friday. • Revised derogation letter to be submitted to TS.
<p>5.</p>	<p><u>Gateway Review</u></p> <p>The Chair updated the board on the circulated Gateway Review highlighting the workstreams underway, who is involved and the anticipated outcomes. It was anticipated that this would be presented to the next board.</p> <p>John MacQuarrie and Emma Dixon are the SRH representatives on the steering board. It was noted that it is TS led project.</p> <p>The board requested an update on the progress of recommendations, workstreams underway, relationships, roles, responsibilities and SRH resources.</p> <p>Actions:</p> <ul style="list-style-type: none"> • presentation from SRH/TS to be circulated before the next board
<p>6.</p>	<p>[Redacted]</p>
<p>7.</p>	<p><u>SRH Resources Update</u></p> <p>David Lowrie gave a verbal update on SRH resourcing and said that a HR consultant has been brought in to assist with recruitment.</p> <p>The board noted they are keen to see more progress on this.</p>

	<p><u>Strategic Plan – SRH Board</u></p> <p>The Board discussed the proposed resources and structure for SRH.</p> <p>The Board noted that there are key roles that SRH needs and also noted the following:</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>It was noted that TS need to approve any permanent increase in staff resources and that a budget allocation letter was needed to confirm the requisite funding.</p> <p>[Redacted]</p>
	<p>Chair confirmed he will discuss resource matters when he meets Alison Irvine.</p> <p>The Board noted the requirements for the 5 year Strategic plan and annual business plan under the Framework Agreement and noted the timescales for this.</p>
<p>8.</p>	<p><u>Capital Project Governance</u></p> <p>CG summarised the paper and highlighted the key components for the board to consider and explained her recommendations.</p> <p>The January SRH Board meeting had discussed internal governance and oversight of the prospective major capital projects and [Redacted]</p> <p>Although the New Fleet Procurement Project is at an early stage, key stage approvals have been ‘passed’ and others are imminent. It should be noted that an SRT AO proposal approval has been sought through SRH for [Redacted] for the project team to continue its work into 2024-5.</p> <p>This paper highlights the need for the SRH Group to adopt commonly accepted good practice of assuring delivery of its major projects. [Redacted]</p>
	<p>Recommendations</p> <p>“It is recommended that SRH establishes governance measures internal to the Group for assuring approvals and decisions for major capital projects as described in section 6 of the paper”. There is a particular and immediate [Redacted]</p> <p>The characteristics of such a framework are summarised as:</p> <ul style="list-style-type: none"> - defined key <i>project deliverables</i> in each phase of the projects and the associated Gate approvals. This definition may need to be revised as the project definition matures. - a defined hierarchy of delegation to competent panels which will review and approve deliverables at specific stage gates;

	<p>- authority necessary to ‘pass’ a stage gate (based on risk assessment) where the [Redacted]</p> <p>It is proposed that the SRH Board should also consider the way in which key deliverables have thus far been [Redacted]</p> <p>The Board is asked to consider and agree that at least interim arrangements should be tabled at the SRH April Board that reflect the assurance framework described for the New Fleet Procurement Project and that arrangements can be refined in the form of an overarching Group Standard during the first half of this year.</p> <p>The board welcomed this paper.</p> <p>The Board approved the recommendations.</p>
<p>Standing Agenda Items</p>	
<p>9.</p>	<p><u>Fleet Procurement Update</u></p> <p>Jon Newton joined the board to provide an update on the Suburban Fleet Procurement. It has been developed from a previous briefing provided at the June 2023 SRH board and a subsequent overview of the Suburban Fleet Procurement which was presented as part of the wider fleet strategy at the November 2023 SRH board.</p> <p>SRH Board are asked to note the content of this paper and are invited to discuss:</p> <ol style="list-style-type: none"> 1) How board wish to be appraised of progress at future board meetings. 2) The approach of holding a briefing session with SRH and SRT board members to explain the scope and key content of the procurement. 3) Governance of the project (linked to the paper tabled by Carolyn Griffiths) and the responsibilities of SRH and SRT boards. <p>The Chair thanked Jon for joining and presenting this paper. The Board considered and noted the paper.</p>
<p>10.</p>	<p><u>Chief Executive’s Executive Summary</u></p> <p>The Board noted the paper.</p>
<p>11.</p>	<p><u>ScotRail Holdings Limited, ScotRail Trains Limited and Caledonian Sleeper Limited Operational & Performance Update</u></p> <p>The Board noted this paper.</p>
<p>12.</p>	<p><u>SRT Monthly Communications Report</u></p> <p>The Board noted this paper.</p>
<p>13.</p>	<p><u>Minutes from previous meeting (11th January 2024)</u></p> <p>Minutes from previous meetings to be reviewed at next meeting.</p>

14.	<u>Actions and matters arising from previous meeting</u>
15.	<u>Any other business</u> Temporary change - CSL requested that a specific part of its Delegated Authority Matrix be changed from referring to Chris Gemmell, the CSL FD who is leaving, to empower Graham Kelly. Effectively that the [Redacted]
16.	<u>Board lookahead</u> The Chair noted some additional items to be added to the lookahead.
	Date of next meeting: Wednesday 13 th March 2024 at St Vincent Plaza, St Vincent Street, Glasgow.