



Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 30th May 2024, 13.00 to 16.00

Location: St Vincent Plaza

Present: Richard Cairns – Chair
David Lowrie – Chief Executive
Carolyn Griffiths – Non-Executive Director
Brian Baverstock – Non-Executive Director
Roz Foyer – Non-Executive Director
John MacQuarrie – Rail Business Director
Emma Dixon – General Counsel and Company Secretary

In attendance: Campbell Davidson – Financial Controller
Jackie Bergen – Board Secretary
Bill Reeve – Transport Scotland

Agenda Item 1 – Notice, apologies, and quorum

1. The Chair welcomed everyone to the meeting.
2. There were no apologies. The meeting was quorate.

Agenda Item 2 – Declarations of interests and conflicts of interest

3. No declarations of interest were made, and no conflicts of interest were raised.

Agenda Item 3 – SRH/TS Update

4. The Board noted the action points issued by Transport Scotland (email of 20 May) in relation to the meeting held on 16 May 2024 between the SRH Chair, Brian Baverstock, Roz Foyer and the Chief Executive of Transport Scotland. The Chair said that he has written a letter to the Chief Executive of Transport Scotland as a follow-up to that meeting and awaited a response. The Chair said he would inform the Board once a response was received.

5. SRH General Counsel had issued an email on 28 May asking the Chair and Non-Executive Board Members to complete time sheets for the number of days each has worked on SRH Group matters since 1 January 2024 to end May 2024. This information has been requested by Transport Scotland to inform its consideration of the appropriate allocation of time for SRH Non-Executive Board Members. SRH General



Counsel thanked the Members who had already supplied this information and asked that outstanding timesheets be submitted to her and the Board Secretary by Friday 31 May.

Agenda Item 4 – Board Appointments

6. The Board noted SRH General Counsel’s resignation as SRH Company Secretary and resignation from SRH employment from 31 May 2024.
7. The Chair offered his personal thanks to General Counsel for the extraordinary work and timeless commitment that she has given to SRH and noted the Board’s extensive gratitude to her. The Board wished General Counsel every success in her new role.
8. The Board noted that, as an interim measure, Brodies Solicitors, would be providing Company Secretary functions for the SRH Group until a new General Counsel is appointed. The SRH Board Secretary will instruct required Companies House filings, through Brodies, as per the Board’s requests.
9. The Chief Executive proposed that [Redacted] The Board accepted this proposal.
10. The Board requested that the relevant Companies House filings be initiated to reflect the General Counsel resignation, appointment of Brodies as Group Company Secretary and the appointment [Redacted] in due course.

Item 5 – Tax Strategy

11. The Board considered the paper and proposed Tax Strategy from the Financial Controller and noted the requirement for SRH, as part of a large group, to publish a group tax strategy annually. The Chief Executive and Financial Controller informed the Board that there was a matter regarding [Redacted] which may require a minor change in the wording of the tax strategy.
12. The Board noted and agreed the Tax Strategy for year ended 31 March 2024 for SRH and its subsidiary companies. The Board agreed that the Chief Executive and Financial Controller should consider and make the minor amendments and then arrange for publication of the strategy on SRH website and on the websites of its subsidiary companies. The Board noted that the Tax Strategy would be reviewed annually.

Agenda Item 6 – Changes to SRH Bank Mandate

13. The Board considered the paper regarding proposed changes to authorised signatories as per SRH’s current bank mandate with RBS. The Board approved the removal of [Redacted] and Emma Dixon as authorised signatories given their pending resignation dates from SRH. The Board approved the addition of Brian Baverstock and Campbell Davidson as authorised signatories. The Board noted that John MacQuarrie will remain as an authorised signatory. Campbell Davidson will co-ordinate the completion of the relevant forms to implement the approved changes.

Agenda Item 7 – CEO Recruitment Update

14. The Chair informed the Board that the long-list interviews for the SRH Chief Executive position were taking place on 30 and 31 May and the short-list interviews would take place on 28 June. The Chair also informed the Board that he is working on the process for recruitment of an interim Chief Executive with Transport Scotland given that the current Chief Executive will be leaving his post at the end of June.

15. The Chair said he would keep the Board advised of progress. The Board noted the position.

Agenda Item 8 – HR Systems and Processes

16. The Board considered the paper from the Rail Business Director on Human Resource systems for SRH. [Redacted]

17. The Rail Business Director confirmed that a digital system has been implemented which addresses the matters above and the situation has been resolved.

18. The Rail Business Director reported that an employee handbook has been developed, with the assistance of Brodies Solicitors, and is based on Scottish Government policies. He confirmed that the policies in the handbook are being reviewed to ensure SRH compliance with HR requirements and this work should be completed by the end of March 2025. He confirmed that the review of the HR policies would be on-going to ensure best practice specific for SRH rather than just meeting the minimum legal requirement for such policies.

19. [Redacted]

20. The Board noted that it required assurances that, as an employer, SRH is compliant with all HR requirements. The Board noted that the previous work undertaken by Brodies should provide this but given that the completion date for the review of all SRH HR policies work is March 2025, the Board asked for a paper to be prepared setting out the responsibilities of the Board as an employer, timelines for the review of policies and required actions to meet the deadline of March 2025. The Board agreed that once it has considered this paper, oversight, and monitoring of the actions within the paper should fall under the remit of the SRH Remuneration Committee. The paper was requested for the June meeting of the Board.

Agenda Item – SRH Head of People Role

21. The Board considered the paper from the Rail Business Director on restructuring the current role of SRH Culture & People Lead into a SRH Head of People role. The Rail Business Director said he had looked at obtaining HR support for SRH from its subsidiary companies, but this would not be achievable without additional people resources for the subsidiaries. The Board noted that the proposal for the Head of People role was not an increase in staff numbers but rather a re-defining of the role and objectives for the current Culture & People Lead position. The Board agreed that the Head of People position would:

- (a) Lead on SRH people matters to implement high standards in respect of SRH HR policies
- (b) take the lead responsibility in required job evaluation projects for SRH
- (c) advise the SRH Board and Management Team on matters relating to HR across the Group, noting that the post is not taking on the role as HR for the Group

22. The Board agreed that the Rail Business Director should take forward the work to re-define the role of the Culture & People Lead into the Head of People role, taking note of the Board's agreements for the role set out above.

23. [Redacted]

Agenda Item 10 – SRH Strategy

24. The Board noted the paper from the Rail Business Director outlining the work being undertaken on the Strategic Plan for SRH. The Board noted that the strategy day held on 2 May was of benefit to informing and taking forward the work to complete the draft Strategic Plan and an action plan was being developed for this. The Rail Business Director said that a further two day session on strategy was needed and this was being planned for June. The Board agreed that the dates should be set in June to align with the dates that most Board Members are available.

Agenda Item 11 – Public Bodies Unit Update

25. The Chair informed the Board of training undertaken by himself, Roz Foyer, Brian Baverstock and John MacQuarrie on 21 May given by the Scottish Government Public Bodies Unit for Members of Boards of Public Bodies. He said that the training was very useful and informative, and the Public Bodies Unit was keen to assist NDPB boards. The materials from the session had not yet been provided but will be circulated to all Board members when received. He confirmed that the Public Bodies Unit would be holding a training session for SRH on 27 June in St Vincent Plaza. Carolyn Griffiths asked that arrangements be put in place for her to join this session remotely. General Counsel said that PBU would be running an online session of the training given on 21 May in September.

Agenda Item 12 – Strategic Rail Board – Preparation for Meeting on 20th June

26. The Board considered the note from Transport Scotland on the papers required for the next meeting of the Strategic Rail Board on 20 June. The Board noted the following papers required for SRB, at a strategic level, and that the deadline for submission of the papers to Transport Scotland is 6 June:

- (a) Executive Summary – SRH Rail Business Director
- (b) Items for Escalation – SRH Executive Team
- (c) Finance Report – SRH Financial Controller
- (d) Operations Report – SRH Rail Business Director
- (e) Strategic Report – SRH Rail Business Director
- (f) Communications Update – Comms paper from David Ross, SRT, provided for SRH Board 30 May
- (g) SRH Risk Register – SRH ARC

27. [Redacted]

28. The Board noted Carolyn Griffith's point that stage gate reviews of strategic matters should be used to inform the SRB and noted Bill Reeves point that monthly reporting systems should also be used to inform SRB.

29. The Chair requested that the SRH Financial Controller, Brian Baverstock and Carolyn Griffiths should also be invited as attendees to the SRB meetings.

Agenda Item 13 – Matters arising from last meeting

Item 13.1 – Interim Gate Review Framework for Capital Projects

30. Carolyn Griffiths referred to a previous decision of the Board requesting that a framework to be put in place for the review of capital projects and asked for an update on this work. She said that [Redacted], had offered assistance to SRH in this work, if required. The Rail Business Director agreed to discuss requirements with his staff and [Redacted] with a view to submitting a proposed framework to the Board at the August meeting of the Board.

31. [Redacted]

Item 13.2 – [Redacted]

32. [Redacted]

33. [Redacted]

13.3 – CSL Grant Agreement and Derogation Letter

34. Carolyn Griffiths asked for sight of the agreed CSL Grant Agreement and Derogation Letter. General Counsel confirmed these had been provided.

13.4 – SRH Resource Mapping

35. Carolyn Griffiths referred to previous Board discussions regarding resource requirements for the Rail Business Directorate. She said she had discussed this further with the Rail Business Director and suggested that a paper be submitted to the Board setting out the roles and functions of the Rail Business Directorate Team and how each role is delivering against the framework agreement, highlighting the areas that require additional staffing resources.

36. The Board noted that the Rail Business Director would be circulating a starter paper in this regard for the forthcoming strategy sessions. The Board requested that the finalised version of paper should be submitted to the next meeting of the Board scheduled after the strategy sessions, to inform the Board's decision making in relation to additional staff recruitment.

37. [Redacted]

38. [Redacted]

Agenda Item 14 – Chief Executive's Executive Summary

39. The Board considered the Chief Executive's Executive Summary paper. The Chief Executive highlighted his view that the initial prediction in 2021, when SRH was activated, that it would take until end

2023/ early 2024 for the mobilization of train operating companies to settle down is the actual position at present. [Redacted]

40. [Redacted]

41. The Chief Executive informed the Board that the budget allocation letter for 2024/25 had now been received.

42. The Board noted the Chief Executive's Executive Summary paper.

Agenda Item 15 – SRH Group Operational and Performance Update

43. The Board noted the SRH Group Operational and Performance update paper.

Agenda Item 16 – SRH Group Finance Update

44. The Board noted the SRH Group finance update paper.

Agenda Item 17 – Fleet Strategy Update

45. The Board noted the Fleet Strategy update paper.

Agenda Item 18 – SRH Group Monthly Communications Report

46. The Board noted the SRH Group monthly communications report.

Agenda Item 19 – Minutes from previous meetings

47. The Board noted that the minutes of the previous Board meetings have not yet been approved, so would be brought to the June meeting of the Board for approval.

Agenda Item 20 – Actions and matters arising from previous meetings

48. There were no separate items for discussion.

Agenda Item 21 – Board Lookahead

49. The Board noted the lookahead calendar.

Agenda Item 22 – Any Other Business

50. There was no other business to discuss.

Agenda Item 23 – Date of next meeting

51. The next meeting of the Board will be on 27 June 2024