

# Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 27<sup>th</sup> June 2024, 13.00 to 16.00

Location: St Vincent Plaza / Via Teams\*

Present: Richard Cairns – Chair  
David Lowrie – Chief Executive  
Carolyn Griffiths – Non-Executive Director\*  
Brian Baverstock – Non-Executive Director\*  
Roz Foyer – Non-Executive Director  
Campbell Davidson – Finance Director  
John MacQuarrie – Rail Business Director

In attendance: Graeme Cooke – SRH Interim Chief Executive (from end June)  
Joanne Maguire – Managing Director, SRT (for item 4.1)  
Bill Reeve – Transport Scotland  
Jackie Bergen – Board Secretary

## 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. Roz Foyer declared a potential conflict of interest in relation to item 4.1 of the agenda – [Redacted], and absented herself from the meeting for that discussion.

## Agenda Item – 4.1 – [Redacted]

4. The Chair took this item as the first item on the agenda and welcomed the Managing Director of SRT to the meeting for the discussion.
5. [Redacted]
6. [Redacted]

## Agenda Item 3 – Minutes from Previous Meetings

7. The Board approved the minutes of the meeting on 30<sup>th</sup> May 2024, subject to one addition from Carolyn Griffiths.

8. The Board approved the minutes of meetings held on 14 December 2023, 11 January 2024, 8 February 2024, 13 March 2024, 4 April 2024 and 11 April 2024.

#### **Agenda Item 4 – Actions and Matters Arising**

*Item 4.1 is recorded above.*

##### *Item 4.2 – SRB Feedback from 20<sup>th</sup> June Meeting*

9. Feedback from the meeting was discussed under various agenda items.

##### *Item 4.3 – Exec Team Recruitment Update*

10. The Board noted that the result of the open competition recruitment, Campbell Davidson was the preferred candidate for the position of permanent Finance Director. The Board congratulated Campbell Davidson on his appointment.

##### *Item 4.4 – SRH ARC Update from 6<sup>th</sup> June Meeting*

11. Brian Baverstock, as Chair of the SRH ARC, said that the update on progress with the Audit Scotland recommendations from the 2022/23 audit was discussed at the meeting on 6 June. He said that of the six recommendations made by Audit Scotland, only two have been fully actioned by SRH. He said that the recommendations in relation to Best Value Framework, Staff Capacity, Internal Audit and Governance had not yet been fully actioned and this will likely be raised by Audit Scotland in its 2023/24 audit. He said that, over and above the financial audit of the accounts and annual reporting statements, Audit Scotland has included in its audit plan for 2023/24 the following wider scope areas: Financial Management, Financial Sustainability, Vision, Leadership and Governance, and Use of Resources to Improve Outcomes. He said that he has a meeting scheduled in July with Audit Scotland to discuss the 2023/24 audit plan and will report the outcome of that meeting to the Board.

12. [Redacted]

13. In relation to the SRH risk register and the risk management process, Brian Baverstock, said that the initial SRH risk register had been discussed at the SRB meeting on 20 June. He said that further discussion of this will take place at the next ARC meeting on 21 August. He said that, as Chair of the SRH ARC and of the SRT and CSL ARCs, he will be looking at alignment of risk reporting across the group and will also be giving consideration to having a [Redacted]. The Board agreed that risk register should be included as a standing item for the Board meeting agendas.

##### *Item 4.5 – [Redacted]*

14. [Redacted]

##### *Item 4.6 – Actions Forward Diarised*

15. The Board noted the list of forward diarised items.

#### **Agenda Item 5 – Board Appointments**

16. The Board agreed to the appointment of the SRH interim Chief Executive, Graeme Cook, as an executive director of the SRH Board and as Chair of the SRT and CSL Boards. The Board agreed to the appointment of the SRH Finance Director, Campbell Davidson, as an executive member of the SRH Board

and as a non-executive director of the SRT and CSL Boards. The Board noted that SRT and CSL had been given verbal notification of the prospect of these appointments at their respective June board meetings and the Chair agreed to write to both companies with official notification of the appointments. The Board requested that the necessary companies house filings be made.

17. The Board noted David Lowrie's resignation as Chief Executive of SRH and as Chair of SRT and CSL as of 28 June 2024. The Chair extended his personal thanks to the Chief Executive for the extraordinary job that he has undertaken at SRH over the past two years and his excellent contribution over the work of the SRH Group. The Board extended their appreciation to the Chief Executive and wished him well for the future. The Board requested that the necessary companies house filings be actioned.

### **Agenda Item 6 – Rail Business Directorate Resources**

18. The Rail Business Director presented his paper to request the Board's approval to proceed to submit a business case to Transport Scotland for approval of additional staff for the Rail Business Directorate. The Board noted that mapping of Rail Business Directorate staff against the Framework Agreement and Grant Agreements had been discussed at previous Board meetings and this paper was a result of a further request for this information made at the meeting on 30<sup>th</sup> May.

19. [Redacted]

20. [Redacted]

21. [Redacted]

22. The interim Chief Executive said that SRH could move forward with the proposals subject to confirmation that [Redacted]. He said that this confirmation could give the Board the assurances that it was asking for.

23. [Redacted]

24. The Board agreed to proceed with the recruitment of the audit, risk and finance posts [Redacted] the Board agreed that the proposals should be submitted to TS for approval.

### **Agenda Item 7 – SRH Strategy**

25. The Rail Business Director reported that the SRH Strategic Plan for 2024 to 2029 had been approved by Transport Scotland and was with the Cabinet Secretary for approval. He said that once Cabinet Secretary approval had been given, the plan would be published and this would then be rolled out to SRT and CSL to link the overall group strategy.

26. The Rail Business Director said that the preparation for the 2025 to 2030 plan had commenced, and thought was being given to wide stakeholder engagement and how to take this forward. He said that the planned strategy days for July for SRH had been cancelled as further work had to be done before these sessions could take place to provide for informed meaningful discussion. [Redacted]

27. The Chair asked that the policy compendium should be used to identify the wider stakeholder group. Roz Foyer said that the Trade Unions should also be consulted as a stakeholder group.

28. Brian Baverstock noted that the deadline for the revised Strategic Plan for 2025 to 2030 had originally been stated as September 2024 but noted that the Board had been informed at this meeting that this had now moved to March 2025. [Redacted]

29. Bill Reeve referred to the requirement in the Framework Agreement to refresh the strategic plan annually which should feed into the Scottish Government budgeting cycle. [Redacted]

30. [Redacted] The Chair asked if this could be considered at a Board strategy session on the morning of 22 August, prior to the Board meeting.

31. After discussion, the Board agreed that the interim Chief Executive and his executive team would take note of the Board's comments and look at the options of [Redacted] and advise the Chair on whether a Board strategy session on the morning of 22 August was required.

### **Agenda Item 8 – SRH HR Systems and Processes**

32. The Board noted that this paper had been prepared at the Board's request at the meeting on 30 May for a paper setting out the responsibilities of the Board as an employer with a timeline for the review of HR policies already in place for SRH and actions outstanding, to meet the previously informed deadline of March 2025 for such review. HR policies already in place for SRH had been actioned through external contract work from [Redacted] when SRH was mobilised and provided cover, albeit minimal, for SRH as an employer.

33. The Rail Business Director said that the [Redacted] to review the SRH HR policies obtained previously from [Redacted] with a view to getting revised policies in place and identifying gaps. [Redacted]

34. [Redacted]

35. [Redacted]

36. After discussion, the Board agreed that an options appraisal should be undertaken by the Accountable Officer in consultation with the executive team to decide [Redacted]. The Board agreed to endorse the outcome of the Accountable Officer's decision in this regard.

### **Agenda Item 9 – Fleet Strategy Update**

37. The Rail Business Director had tabled under this agenda item for Jon Newton to attend and speak to the Board. Jon Newton had not been informed and as such did not attend.

38. The Rail Business Director said that the [Redacted] approval process was going through the various stages of approval and he would have a better update for the Board at its next meeting in August.

39. The Board requested that the Rail Business Director submit a written update for the August Board meeting on the [Redacted]

### **Agenda Item 10 – Chief Executive's Executive Summary**

40. The Board considered the Chief Executive's Summary paper. The Chief Executive highlighted the following:

- Two years on from SRH activation the evidence is growing to show TOC mobilisation is settling down, reporting is becoming more routine, planning for long term and measuring against plans is improving
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

41. The Chair said that the [Redacted] project was discussed at the meeting of the SRB on 20 June and noted that the revised proposals would be submitted to Transport Scotland by the end of July.

#### **Agenda Item 11 – SRH Group Operational and Performance Update**

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

43. The Rail Business Director noted the duplication of information for the Board in the operational and performance paper and the Chief Executive's summary paper. The Board discussed the need for the Board reporting papers to be more succinct with clear reporting on KPIs, key risks, how the SRH group is mitigating those risks etc. The Board agreed that the Chief Executive and his executive team discuss this further and prepare a new format for Board reporting.

#### **Agenda Item 12 – SRH Group Finance Update**

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

45. [Redacted]

46. [Redacted]

#### **Agenda Item 13 – Group Monthly Communications Report**

47. The Board noted the Group Monthly Communications report.

#### **Agenda Item 14 – Board Lookahead**

48. The Board noted the lookahead paper.

#### **Agenda Item 15 – Any Other Business**

##### *SRH Framework Agreement*

49. The interim Chief Executive said that a meeting had been held on 20 June with Transport Scotland to follow-up on the meeting on 30 May regarding revising the SRH Framework Agreement. He said that it was agreed at the meeting to progress the revisions to the Framework Agreement through correspondence and he was taking this work forward with his executive team with a view to seeking the Board's approval of proposed changes at the August meeting of the Board.

50. Carolyn Griffiths asked for the RACI matrix setting out responsibilities and accountability lines from the Framework Agreement to include the SRH Board.

##### *SRH Chair and Non-Executive Director Appointments*

51. The Chair said that he had received a letter from the Cabinet Secretary extending his appointment for a further six months which he had accepted, [Redacted]

52. Carolyn Griffiths said that she also had received a letter from the Cabinet Secretary extending her appointment for a further six months [Redacted] Roz Foyer said that she had been offered a three year extension to her appointment on the basis of the previous number of allocated days. Brian Baverstock said that he had not received any communication and noted that was already on a three year appointment.

53. The Chair noted that the information on the number of actual days spent of SRH business from January to May 2024 had been submitted to Transport Scotland. [Redacted]

*Interim Gate Review Framework for Capital Projects*

54. It was noted that the Board agreed at its meeting on 30 May that a proposed framework would be submitted to the August meeting of the Board.

**Agenda Item 16 – Date of Next Meeting**

55. The next meeting of the Board will be on 22 August 2024.