Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 18 September 2025, 09.30 to 16.40

Location: St Vincent Plaza / Via Teams*

Present:	Iain Docherty – Chair Hannah Ross – Chief Executive Carolyn Griffiths – Non-Executive Director Brian Baverstock – Non-Executive Director* Mike Bagshaw – Non-Executive Director Roz Foyer – Non-Executive Director Campbell Davidson – Finance Director John MacQuarrie – Rail Business Director
In attendance:	Matthew Spence – Director Strategy and Investment Amanda MacLellan – People and Culture Director Graeme Cook –Transport Scotland Director of Rail Delivery Graham Kelly – CSL Managing Director (for item 5) Joanne Maguire – ScotRail Managing Director (for items 5, 6, and 7) Samuel Price – CSL General Counsel (for item 5) [Redacted] – Audit and Risk Manager (for item 17) [Redacted] – Board Secretary
Apologies:	Neil Amner – General Counsel

Agenda Item 1: Notice, apologies, and quorum

1. The Chair welcomed Mike Bagshaw to his first meeting of the Board

2. Apologies were noted. The meeting was quorate.

Agenda item 2: Declarations of interests and conflicts of interest

3. The Transport Scotland Director of Rail Delivery said that, as noted on the SRH register of interests while he was a SRH director, he is a trustee of the Rock Trust and recently he was made aware that Addelshaw Goddard had made a donation to the Rock Trust. He said that he has no involvement in fundraising or donations to the Trust. He said that he is aware that Addleshaw Goddard undertake contract work for the SRH subsidiary companies. He said that he does not consider this to be a conflict of interest but wished to make the Board aware of this.

4. In relation to item five of the agenda and the CSL locomotive [Redacted], the Board noted that legally privileged advice was to be discussed, and the Transport Scotland Director of Rail Delivery would recuse himself from the meeting for that discussion on the basis that Transport Scotland representatives should not be party to legal advice for CSL.

5. Carolyn Griffiths said that she had attended the National Rail Awards event on 17 September as an awards judge and had been approached by someone asking about the intercity fleet procurement project. She confirmed that she did not provide any information.

6. The Chair said that there is information on the suburban new fleet procurement on social media which should not be in the public domain. He said that he has raised this matter with Transport Scotland and said that SRH should closely monitor this.

7. Roz Foyer said that at her recent appraisal meeting with the Chair, it was agreed that she has been overly strict in recusing herself from Board discussions on matters that may concern trade union members, due to her concern of how the perception of her involvement may look to rail affiliate trade union colleagues. She said that she had discussed this with rail affiliate colleagues who were content for her to take part in such Board discussions that do not interfere with the bargaining arena. She said that she will therefore be able to undertake a fuller role in discussions for the Board to benefit from her advice and experience at a strategic level. Brian Baverstock said that this approach was consistent with that of other public bodes who have trade union representation on the Board and Roz Foyer's expertise is invaluable to the Board. The Chair said he was in full agreement with this.

Agenda Item 3: Mintes of Previous Meetings

8. The Board approved the minutes of the meetings held on 21 August, 5 and 9 September 2025 subject to minor amendments. Roz Foyer recused herself from the meeting for the Board's consideration of paragraphs 50 to 57 of the draft minutes of the meeting on 21 August as she had declared an interest at that meeting on the matters discussed under those paragraphs.

Agenda Item 4: Actions and Matters Arising

9. The Board considered the list of actions from previous meetings.

10. In relation to action 36/2025 the Chief Executive said that the [Redacted] would likely be those that were considered previously by the Board. She said that she would finalise this with Transport Scotland and inform the Board when this had been done.

11. In relation to action 37/2025, the Chief Executive said that additional timetabling work was required to gain optimal deployment of [Redacted] and proposals were being developed with ScotRail, SRH and Transport Scotland.

12. In relation to action 44/2025, this had been marked to close the action as the action would be encompassed in the performance work being taken forward by the Rail Business Directorate which would report to the Board in October/November. Carolyn Griffiths asked for this action to stay open until the performance work has been completed.

13. In relation to action 45/2025, develop a people KPI for SRH, the Board noted the proposal to develop a people dashboard of key data once SRH had integrated with the CSL HR platform which would allow the data to be automated and analysed. The People and Culture Director said that this data should be available by early 2026. Carolyn Griffiths said that similar data should be pulled together now from SRH records to produce a similar dashboard to that of CSL. The People and Culture Director said that this will need to be done manually as the SRH data is not currently automated. The Board agreed to move the automated reporting to the Board planner for quarter one 2026 and open a new action for people data to be taken from the current manual records and reported to the Board as soon as it is available.

14. In relation to action 46/2025, consider an overarching KPI for projects, the Board noted Carolyn Griffiths' concern that only a small number of projects come through the Board and the Board is only informed of any issues through the stage gate process for the rolling stock procurements, and the Board needs a better overview of the health of all capital projects. The Director, Strategy and Investment said that the financial outturn data is currently submitted to the Board, but he is working to put in place a more informative management report and assessment of capital projects alongside the capital plan for the forward years and this will be in place prior to the start of the next financial year. The Board agreed to close this action and forward diarise for receipt of the new capital reporting format by March 2026.

15. In relation to action 53/2025, obtain a timescale from ScotRail for conclusion of the depot/station accommodation review to identify upgrades to ensure statutory compliance, the Board noted that this action is included in the ScotRail Safety Plan, as approved by SHEC on 14 May 2025, with a timescale of completion in quarter three 2025/26. The Board agreed to close this action and open a new action for the Board to receive and consider the report when it is available. The Director, Strategy and Investment said that any work required from the report will be covered in the capital plan.

16. In relation to action 59/2025, prepare discussion paper for the Board on the outcome from the Business Analyst's work from the Board governance session on 16 July 2025, the Chief Executive said that this will be encompassed in the session to be held in November on the outcome from the Board self-assessment exercise. She reminded Board Members that completion of the self-assessment questionnaire is due by the end of September and to date, only one completed form has been received.

17. In relation to action 63/2025, confirm deliverability of ScotRail 2025/26 efficiency programme, the Board noted the response provided by the ScotRail Managing Director and this was discussed further under agenda item five.

18. In relation to action 64/2025, the Board noted that savings and income options for a 2026/27 balanced budget for ScotRail would be considered by the ScotRail Board and thereafter by the SRH Board. The Finance Director said that this action should remain open, and he would advise the Board of the timescale to receive the information.

19. In relation to action 65/2025, check mismatch of timing information in relation to health and safety in the internal audit plan and the audit universe document, the Board noted that this had been checked, and the Audit and Risk Manager would have a follow-up conversation with Carolyn Griffiths on this matter.

20. The Board agreed to close actions 28/2025, 32/2025, 42/2025, 43/2025, 45/2025, 46/2025, 48/2025, 49/2025, 52/2025, 53/2025, 57/2025, 60/2025, 62/2025, 63/2025, 65/2025, 67/2025, 68/2025 and 69/2025, as these had been completed, moved to the Board planner or were tabled on the agenda for this meeting.

Agenda Item 5: Chief Executive's Report

The ScotRail and CSL Managing Directors and CSL General Counsel joined the meeting at 10.20.

CSL Locomotive Service Agreement Contract Duration

The Transport Scotland Director of Rail Delivery recused himself from the meeting for the following discussion.

21. The CSL Managing Director said that during the discussions of the outline business case approval for the new locomotive procurement project, it was agreed that the Board would be provided with additional information [Redacted] option prior to the procurement launch. The Board noted the additional strategic, commercial and legal information provided and the recommendation to progress the procurement design based [Redacted]. The Board approved the recommendation.

The Transport Scotland Director of Rail Delivery rejoined the meeting.

Chief Executive's Report

22. The Board considered the Chief Executive's report.

23. The Chief Executive said that a great deal of pressure has been put on her time over the past four weeks with the [Redacted] work. She said that this has negatively impacted her time and executive team time on the strategy work that is ongoing in various areas.

24. In relation to performance, the Chief Executive said that this is trending adverse to target and there is concern that the reduced target of 90.7 percent STPM will not be achieved. She said that Network Rail performance has not been as good as it was and this affects service and patronage, and the ScotRail Managing Director is dealing with ScotRail performance issues.

25. The Chief Executive said that the removal of peak fares was successfully introduced on 1 September 2025, which reflects well on the hard work and commitment of the ScotRail Managing Director and her team.

26. The Chief Executive said that she attended the 10th anniversary celebrations of Borders Railway opening of Tweedbank station and the return of the railway linking the Borders to Edinburgh on 9 September. She said this was an excellent example of rail and community partnership working.

27. Carolyn Griffiths said that she had attended the National Rail Awards on 17 September as an awards judge and noted that ScotRail and Scotland's Railway had been highly commended in one of the excellence categories.

CSL Update

28. The CSL Managing Director said that there had been strong performance in the previous period and issues relating to guest experience and problems with air conditioning had been resolved through a temporary solution. He said that the performance in the current period will be lower as there have been infrastructure issues which have affected service levels.

29. As requested at the previous meeting of the Board, the CSL Managing Director gave the Board an update on the issues with the auxiliary power supply units (APS). He said that CSL has replaced all APS capacitors that are currently in service, and the five remaining coaches that are out of service will have the capacitors replaced prior to them re-entering service. He said that this provides a full engineering control to the immediate risk of further capacitors failing and [Redacted] He said that the [Redacted] had now been received and concluded that while [Redacted]. He said that the action taken by CSL in replacing the capacitors has almost eradicated the risks as mentioned in the [Redacted] report.

30. The Chair asked if the replacement of the capacitors was a permanent solution to the problem. The CSL Managing Director said that CSL undertook this safety modification itself without support from CAF, as the design authority, and this resulted in this matter being resolved more quickly than in other matters. He said that follow-up work will be undertaken with CAF on why the capacitor failed in the first instance and to gain assurance that this was the only element to the problem and there are no other factors that could continue to affect the APS units. Carolyn Griffiths said that subject to the follow-up with CAF it may be that the design protocols are not adequate.

31. The CSL Managing Director said that locomotive performance has been relatively strong, and this is a constant focus for the CSL team. He said that CSL is taking forward work with GBRf to look ahead at any likely obsolescence issues over the next five years so that these can be addressed in advance to reduce negative impact on service levels.

CSL Coach Cracking Update

32. The Board considered the paper setting out the update on the risk associated with coach cracking.

33. The CSL Managing Director said that the main component still to be undertaken for the mitigation of risk to the lowest level possible is the [Redacted] which should be completed by the end of October. He said that while the fitment is awaited all other mitigating actions remain in place which would identify any issues and result in any affected coaches being withdrawn from service therefore reducing the risk to as low as can be possible at this stage.

34. The CSL Managing Director said that the gauging analysis work had been completed which highlighted only one area of track that would be a [Redacted] but that area was a route diversion that has not been used in over four years and in any event if it was to be used, a speed restriction could be put in place to reduce any risk of [Redacted].

35. Carolyn Griffiths explained that there are thresholds for tolerable levels of risk to which individuals and collective groups might be exposed. If these thresholds are not exceeded (if they are then that related activity has to stop) then CSL's ongoing legal duty is to ensure risk is managed to be as low as reasonably practicable (ALARP). In consideration of CSL's management of risk she said that there had been [Redacted] CSL is looking at how it can quickly engage appropriate resources if going forward they have to make other similar interventions to avoid delays in remedial action.

36. The CSL Managing Director said that an independent review has been commissioned to review CSL's approach to risk management of coach cracking and this should be delivered by the end of October.

37. Roz Foyer said that the lessons learned review is essential along with consideration of how the lessons learned will be applied and consideration should also be given to whether SRH concerns in relation to suppliers, design, timescales etc need to be escalated to Scottish Government. CSL General Counsel said that CSL has been [Redacted]. He said that

the supplier is the design authority and has a legal responsibility for maintenance of the train. He said that as part of the ongoing work on the strategy for dealing with the supplier CSL needs to reflect on how to balance mitigating measures without being able to [Redacted].

38. The Board had a full discussion of the areas that should be looked at in the lessons learned review, including:

- The organisational capacity of CSL and support resources that may be required for ability to react at pace to safety issues
- Process mapping and hazard logs
- The governance required for safety situations
- Supplier contract terms and what would be done differently
- SRH staff level and Board level and is there sufficient capacity to deal with these types of issues, and the points at which SRH should intervene

39. The Chair said that the terms of reference/scope of the lessons learned review should be considered and documented and asked that the Safety Health and Environment Committee (SHEC) takes this forward.

40. Carolyn Griffiths said that ScotRail and CSL, as the train operating companies, are responsible for safety matters and SRH Board must ensure that it is receiving adequate reports from its subsidiary companies in relation to safety. She said that assurance to the SRH Board on safety matters should come from the Managing Directors not through the SHEC, as these Committees report to the subsidiary Boards not the SRH Board. Brian Baverstock said that it would be helpful for the responsibilities of the subsidiary company Boards and the SRH Board in relation to safety to be set out clearly.

41. Carolyn Griffiths said that another area of safety that she wished to highlight for the Board was the current reporting arrangements in relation to signals passed at danger (SPADS). She said that when these events occur there is a risk ranking applied, but SHEC is only informed of these at its quarterly meetings. She said that SPAD incidents scored at high risk should be reported to the relevant subsidiary Board immediately and included in the Chief Executive's report for the next SRH Board meeting.

The CSL Managing Director and CSL General Counsel left the meeting.

ScotRail Update

42. The ScotRail Managing Director said that rail period five was a good period for revenue for ScotRail due to events such as the Edinburgh Festival and social concerts, but still missed budget. She said that ScotRail achieved its biggest ever revenue collection in the one day during this period of [Redacted]. She said the performance continues to be challenging and there are various factors outwith the control of ScotRail and Network Rail that affect performance such as the recent incident of a car falling onto the railway line near Perth.

43. The Transport Scotland Director of Rail Delivery said that work is ongoing with SRH, ScotRail and Transport Scotland to look at sensible performance targets that remove the circumstances that affect performance but are outwith the control of ScotRail and Network Rail, while retaining the importance of the performance in responding to such incidents.

44. Carolyn Griffiths said that it was important to look at performance on a holistic level but equally important to look at and discuss the aspect of performance that relates solely to ScotRail.

45. The Chief Executive said that she welcomed Transport Scotland's approach to look at sensible targets. She said that the Board has been informed previously of the glidepath to try and achieve the targets set for Scotland's railway and ScotRail and Network Rail are working to try and achieve targets [Redacted]. She said that the joint performance improvement plan clearly sets out interventions, targets, responsibilities etc to work towards achieving the overall

STPM target but this has now been buried under the root and branch review, and she is concerned about the requirement for performance targets that are [Redacted] to be achieved and maintained.

Roz Foyer left the meeting at 11.30 due to other commitments.

46. The Board discussed performance and noted the following views:

- Performance data on the split between Network Rail and ScotRail is important and should be reported to the Board
- Root cause of performance issues by route should be looked at
- The ORR report into time to three (the percentage of station stops arrived at within three minutes) over quarter one of the rail year shows ScotRail as the 4th best performing operator
- Benchmarks for ScotRail with the rest of the UK should be a regular reporting feature while noting that no two rail networks are the same
- The ScotRail Strategy and Planning Director post remains vacant. The recruitment was approved by the Remuneration Committee of the ScotRail Board but then put on hold as part of the work on [Redacted].
- Clarity of the reasons for fleet performance, which is the main area of concern on performance, is required
- More detail of action being taken to address performance issues is required

47. The Rail Business Director confirmed that he is preparing a performance monitoring and oversight plan once stakeholder sessions have been completed.

Finance

48. The Finance Director referred to the 2025/26 financial outturn estimate and said that [Redacted] excluding the cost of the removal of peak fares which will be funded by Transport Scotland, and asked the ScotRail Managing Director for an update on the achievement of the 2025/26 efficiency initiatives.

49. The ScotRail Managing Director had provided a response on this prior to the meeting stating that specific to the need to [Redacted] between the revised budget and forecast, notwithstanding the impact of peak fares, the [Redacted] as it stands would be in line with [Redacted]. Of the [Redacted] of efficiencies committed to by the ScotRail executive, we are confident of the delivery of [Redacted]. As regards the [Redacted] that this would leave, we are constantly working to revise spending and are committed to exhausting all possible avenues to [Redacted].

50. The Board noted that the quarter two financial forecast will be considered at the next ScotRail Board and thereafter by the SRH Board. The Finance Director said that assurance will be needed that all that can be done is being done to [Redacted] while retaining the stability of the business. The Board noted that ScotRail will look at service areas for any opportunities to increase revenue. The Transport Scotland Director of Rail Delivery said that this would be welcomed. Brian Baverstock commended ScotRail for the approach taken to managing efficiency within the business, saying he has been struck by the rigour and hard work.

51. The Board noted that the estimated [Redacted] for 2026/27 remains at [Redacted] and a meeting had been held with SRH, ScotRail and Transport Scotland to discuss options to address this [Redacted]. The Finance Director said that there is, as yet, no clear path to produce a [Redacted] and Transport Scotland finance teams should be made aware of this. The options will be considered by the ScotRail Board and thereafter by the SRH Board.

Quarterly Business Update

52. The Board noted the quarterly business update summary showing progress against key business plan milestones. Carolyn Griffiths noted that the safety milestone had moved to amber and asked for more detail on this. The Chief Executive said that this was a precautionary measure concerning rail safety awareness training across SRH. She said that work is ongoing to develop a training plan for all SRH employees and non-executive directors.

Agenda Item 7: [Redacted]

53. The Board considered the paper submitted by the ScotRail Managing Director which provided information to address the questions raised at the previous meeting of the Board.

54. The ScotRail Managing Director said that the proposals to introduce [Redacted] are relevant to the paper to be considered at the next Board meeting on the [Redacted] and relevant to the [Redacted] and forward years budgets. She suggested that the Board consider all three papers together at the next meeting of the Board and a more detailed business case on the proposals for [Redacted] will be prepared.

55. The Transport Scotland Director of Rail Delivery said that he had comments that should be covered in the business case, and he would send these to the ScotRail Managing Director after the meeting. He asked why there was a time pressure for a decision on these proposals. The ScotRail Managing Director said that there is a commitment to deliver [Redacted] and for this to be achievable [Redacted]. Brian Baverstock said that the focus in the business case should be on the net benefit from these proposals and a multi-year forecast should be included to show the benefit to the business of any [Redacted]. He said that options to incentivise passenger [Redacted] usage should also be expanded in the business case.

56. Mike Bagshaw said that many train operating companies in the rest of the UK do not have [Redacted] but there is a movement across the industry to introduce this.

57. The Board agreed that the three papers, business case for [Redacted], and the [Redacted] budget options should be considered together at the next meeting of the Board.

The ScotRail Managing Director left the meeting. The Board had a lunch break from 12.35 to 13.15.

Agenda Item 8: Fleet Strategy

58. The Director, Strategy and Investment said that some minor amendment had been made to the fleet strategy since the last meeting of the Board and this was presented for further comment by the Board before the strategy is finalised.

59. The Chair said that the strategy should include possible impact from the [Redacted], and he asked about publication of the strategy.

60. The Director, Strategy and Investment said that the strategy has been closely coordinated with the wider investment pipeline, Scotland's Railway infrastructure plans and the upcoming refresh of the [Redacted] He said that the strategy has not been [Redacted].

61. The Transport Scotland Director of Rail Delivery said that the [Redacted] should be published in the Autumn along with the [Redacted]. He said that the fleet strategy would not be for [Redacted] as it was a strategy for Scotland's Railway.

Roz Foyer rejoined the meeting at 13.40.

62. Carolyn Griffiths referred to the milestone programme at figure 11 in the strategy and said that all projects would come back to the Board after final business case approval, for the Board to agree the milestone plan going forward.

63. The Board discussed the various [Redacted] options for new fleets and agreed with Roz Foyer's view that [Redacted] should be fully explored.

64. After discussion the Board agreed that the strategy should be amended as indicated and arrangements for publication of the strategy should be discussed with SRH, ScotRail, Caledonian Sleeper, Network Rail and Transport Scotland with a view to publication before the end of 2025.

Agenda Item 9: Depot Strategy

65. The Board considered the draft depot strategy which sets out the current position and the types of changes that will be required to effectively service and stable new fleets over the coming years.

66. The Chief Executive said that the draft strategy is invaluable work, and an actionable plan is needed to develop depots to be able to meet the needs of new train fleets. The Director, Strategy and Investment said that the depot strategy needs to be agreed for the development of the capital investment plan for the future years.

67. The Board discussed the wider economic and social value benefits that could come from the delivery of the depot strategy. The Board noted that the finalised form of the strategy should be developed over the next six months.

Agenda Item 10: Suburban Fleet Procurement Governance

68. The Board considered the paper setting out the proposed governance routes for phase two of the suburban fleet procurement project and the associated risk scoring matrix.

69. The Finance Director said that the financial thresholds set out in the delivery phase assessing impact table should be considered with Transport Scotland in relation to overall funding envelopes.

70. Carolyn Griffiths said that the definitions in the reputation column in the assessing impact tables needs to be reviewed particularly in relation to catastrophic and major risks.

71. After discussion, the Board approved the phase two gateways and the risk scoring matrix, subject to comments made.

Agenda Item 11: SRH Additional Resource

72. The Board considered the paper requesting approval for four additional roles for SRH.

73. Brian Baverstock said that this paper had been considered at the meeting of the Remuneration Committee on 15 September. He said that after full discussion, the Committee had recommended that the Board approves the request for the additional posts. He said that, normally, the Chief Executive should have delegated authority to decide on the numbers and types of staff that is needed for an organisation and the requirement for the Board to be involved in this should be addressed in the review of the SRH Framework Agreement.

74. The People and Culture Director said that with interim/contractor appointments ending it is expected that the overall SRH headcount will remain static against the approved headcount.

75. Carolyn Griffiths asked about the budget implications of the new posts. The Finance Director said that the additional costs in the current year could be met from within the existing budget. He said that costs for future years would be outwith the budget if the budget for 2026/27 is the same as in the current year, and a request for funding will be made to Transport Scotland as part of the submission for approval for the posts.

76. Carolyn Griffiths asked how these new posts would be affected with the changes that will come from [Redacted] and where this sits with the fact that ScotRail is [Redacted]. She also referred to the legal support post and said that the salary proposed is higher than that of a support post and said that consideration should be given to a central legal resource for the SRH Group utilising the legal resources currently available in the group.

77. The Chief Executive said that she is content that the new [Redacted] post will be a direct read across to the changes proposed by [Redacted] and will take forward the excellent work that the Director, Strategy and Investment has done in setting the strategic investment direction for Scotland's railway when he returns to his substantive post in Network Rail. She said that in relation to a central legal resource this is not possible as the SRH Group has three companies which are all separate legal entities. She said that SRH needs legal support to provide General Counsel with the time to do the work he was employed to do utilising his wealth of experience in the transport industry [Redacted].

78. Carolyn Griffiths said that she had concern that the vacant position of [Redacted] was a full-time position and, in her view, this should be a part-time position, and she said that she wanted clarity on the role that SRH has in relation

to [Redacted]. The Rail Business Director said that this matter had been discussed previously, and the full-time position had been approved. The Board noted that the eventual recruitment could be up to and including a full time position.

79. The Board noted that the points raised regarding [Redacted] had been fully discussed by the Remuneration Committee and approved the recommendation of the Committee for the additional posts. The Board agreed that it was a matter for the Chief Executive to decide on roles and responsibilities of individual posts.

Agenda Item 12: [Redacted]

80. [Redacted]

81. [Redacted]

82. [Redacted]

83. [Redacted]

84. [Redacted]

85. [Redacted]

Agenda Item 13: Review of the Remuneration and Appointments Committee Terms of Reference

86. The Board considered and approved the revised terms of reference for the Remuneration and Appointments Committee.

87. The Board approved the appointment of Brian Baverstock as Chair of the Committee and Roz Foyer and the SRH Chair as members of the Committee.

88. The Board was asked to confirm the appointment of a third non-executive member of the Audit and Risk Committee. The Board agreed to carry this forward to the next meeting of the Board to give Mike Bagshaw time to discuss appointments with General Counsel.

Agenda Item 14: Capital Approvals

89. The Board considered and approved the following five capital business cases:

- CSL Guest Experience Accessibility Improvements
- CSL Guest Experience Boarding Enhancements
- CSL Lounge Online Sales
- ScotRail Depot Pressure Washers
- ScotRail Inverness Staff Facilities

Agenda Item 15: Annual Assessment ScotRail and CSL 2024/25

90. The Board considered and noted the paper setting out the outcome of SRH's assessment of the performance of ScotRail and CSL against the Grant Agreement obligations for 2024/25.

91. The Rail Business Director said that it was a requirement under the Framework Agreement for SRH to undertake the annual assessment and this would be published on the website. The Finance Director said the assessment was helpful in informing the annual report and accounts.

Brian Baverstock left the meeting at 16.00.

Agenda Item 16: Capital Spend Report

92. The Board considered the report setting out expenditure on capital projects and the estimate of spend to the year end.

93. The Director, Strategy and Investment said that the reporting format for the Board is in development. He said that most of the projects are [Redacted]. He said that options for IFRS16 costs in the current year will be presented to Transport Scotland for discussion and decision which may require some additional funding.

94. The Director, Strategy and Investment said that there are capital spend projects that are [Redacted]. He said that a view will be taken in October on options that may arise from the report and the realistic estimated outturn for the year. The Chief Executive said that the capital plan for 2026/27 and beyond should be approved and in place before the start of the next financial year so that the focus can be on delivery.

Agenda Item 17: Quarterly Review Strategic Risk Register

The Audit and risk Manager joined the meeting at 16.15.

95. The Board considered the quarterly risk report and the strategic risk register.

96. The Audit and Risk Manager said that the report now includes target residual scores for each risk based on the approved risk appetite statement and also includes details of future planned additional mitigations/actions proposed by management to further reduce the risk scores.

97. The Chair referred to the [Redacted] and asked if there was confidence that this score should have been decreased. The Audit and Risk Manager said that the score had decreased as a range of technical controls have been put in place to [Redacted] and detailed operational practices have been put in place to reduce the impact of human error. Roz Foyer said that she was comfortable with the score due to the number of mitigations that have been put in place and also the nature of the organisation is important as SRH do not hold [Redacted] details. The Audit and Risk Manager said that the reduced score was also linked to business continuity and planning and part of the internal audit programme for the current year is to conduct a review of [Redacted] across all of the SRH Group companies.

The Audit and Risk Manager left the meeting at 16.25.

Agenda Item 18: SRH Group Finance Report

98. The Board noted the finance report, discussion of which had been undertaken earlier in the meeting under agenda item five.

Agenda Item 19: Quarterly Review of the Register of Interests

99. The Board confirmed that the register of interests was correct.

Agenda Item 20: Quarterly Review of the Board Planner

100. The Board noted the Board Planner. The Chief Executive said that she would review the planner with the Board Secretary to try and schedule some induction visits.

Agenda Item 21: Updates from PAG and FROG

101. The Board noted the period five update reports.

Agenda Item 22: Committee Updates

102. There were no updates for the Board to note.

Agenda Item 23: Communications Report

103. The Board noted the communications report.

Agenda Item 24: Any Other Business

104. In relation to the Fleet Programme Director post, the Chief Executive said that [Redacted] and the advert for the position will be issued in the near future. She said that the business case will be submitted to Transport Scotland at pace and the Director, Strategy and Investment and the Head of New Fleet Procurement and Delivery are developing the structure for the post to work across all of the organisations with a clear and established programmatic approach.

105. The Chair reminded Board Members of the requirement to submit completed self-assessment forms to the Business Analyst by the end of September at the latest.

Date of Next Meeting

106. The next meeting of the Board will be held on 22 October 2025.