

Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 21 August 2025, 09.30 to 15.25

Location: St Vincent Plaza / Via Teams*

- Present:**
- Iain Docherty – Chair
 - Hannah Ross – Chief Executive
 - Carolyn Griffiths – Non-Executive Director*
 - Brian Baverstock – Non-Executive Director*
 - Neil Amner – General Counsel
 - 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
 - Graham Kelly – CSL Managing Director (for items five, six and seven)
 - Joanne Maguire – ScotRail Managing Director (for items five, six, seven and eight)
 - Graham Eastwood – CSL Operations Director (for items six and seven)
 - Samuel Price – CSL General Counsel (for items six and seven)
 - [Redacted] – Audit and Risk Manager (for item 11)
 - [Redacted] – Head of New Fleet Procurement and Delivery (for item six and seven)
 - [Redacted] – Board Secretary
- Apologies:**
- Mike Bagshaw – Non-Executive Director

Agenda Item 1: Notice, apologies, and quorum

1. The Chair welcomed the Director, Strategy and Investment to his first meeting of the Board and welcomed Graeme Cook in his new role as Transport Scotland Director of Rail Delivery.
2. Apologies were noted. The meeting was quorate.

Agenda item 2: Declarations of interests and conflicts of interest

3. There were no declarations of interest.

Agenda Item 3: Minutes of Previous Meetings

4. The Board approved the minutes of the meetings held on 23 June 2025, 16 July 2025 and 22 July 2025.
5. The Board approved the amendment that Carolyn Griffiths had suggested to paragraph 24 of the minutes of the meeting on 29 May 2025 and noted the action therein.

Agenda Item 4: Actions and Matters Arising

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

7. In relation to action 28/2025, the Chief Executive said that the report from the external legal review of the CSL staff grievance matter had been received, and General Counsel would send this to Non-Executive Directors by email. The Chair said that a separate Board meeting by Teams may be required to discuss this.
8. In relation to action 32/2025, the Chief Executive said that the recruitment for the new fleet project Programme Director was ongoing, and the advert should be issued within the next few weeks. She said that there was, as yet, no indicative timescale for the interviews and she would discuss the interview panel membership with the Chair.
9. In relation to actions 36/2025 and 37/2025, the Chief Executive said that the issues relating to [Redacted] had not yet been finalised as there were remaining concerns from Transport Scotland to resolve and she hoped that these would be resolved before the next meeting of the Board.
10. In relation to action 39/2025, the Chief Executive said that the position paper on brick construction versus modular building for staff accommodation at stations/depots was being developed by ScotRail. She said that there is a business case recommending [Redacted] which was considered by the Capital Investment Panel but had not progressed to the Board for consideration as the Board's instruction was to consider the position paper prior to any further business cases of this nature being submitted to the Board. The Director, Strategy and Investment, said that the broader question of how the [Redacted] and he had raised this at the Capital Investment Panel meeting on 13 August 2025. The Finance Director said that an options appraisal of [Redacted], and this had also been raised at the Capital Investment Panel meeting.
11. In relation to action 41/2025, the Board noted that the letter of instruction from SRH to ScotRail regarding abolishing peak fares had been issued and the action could be closed. The Chair asked if there would be any significant changes from the trial scheme. The Rail Business Director said that the scope for abolishing peak fares had now been fully defined and there were no significant differences from the trial. He said that railcards and concessions would not be valid during peak times. The Chief Executive confirmed that a communications plan was in place for this coming into effect in September.
12. In relation to action 48/2025, Brian Baverstock noted that the data in relation to driver rest day working was to be provided for the October Board meeting, but he would have expected this to be available for the Board's consideration at this meeting, of the paper on [Redacted]. The Chief Executive said this would be discussed further under that agenda item.
13. In relation to action 49/2025, the Board noted that the [Redacted] in relation to CSL coach cracking has [Redacted] and this would be discussed later in the meeting.
14. In relation to action 50/2025, the Chief Executive said that more resources are required for senior commercial negotiations in respect of the new fleet projects and this will be addressed through the Programme Director recruitment, and this action can be closed.
15. The Board agreed to close actions 34/2025, 51/2025, 54/2025, 55/2025, and 56/2025 as these had been completed or were tabled on the agenda for this meeting.
16. Carolyn Griffiths referred to paragraph 36 of the minutes of the Board meeting on 23 June 2025 and the action for the Chief Executive to discuss with the Chair the interaction and alignment between the Rail Portfolio Board and the SRH Board and said that this was not listed on the action tracker. The Chief Executive said that this would be added to the tracker and discussions would be taken forward with the Transport Scotland Director of Rail Delivery and the Chair. The Transport Scotland Director of Rail Delivery said that he would welcome this discussion as [Redacted] and noted that this is not a single event that can be fixed and will take development.
17. Carolyn Griffiths said that this [Redacted]. She suggested that while the discussions are ongoing, the Board should see the agendas for these other meetings to keep the Board up to date and connected. She also referred to the internal

work that the SRH Business Analyst has been undertaking on the [Redacted] throughout the SRH Group and Transport Scotland and asked when the Board will see the outcome from this work.

18. The Transport Scotland Director of Rail Delivery said that he is aware of the need to [Redacted]. The Chair said that there are two actions to take forward, the discussion on Transport Scotland and SRH [Redacted], and the output from the Business Analyst's work. The Chief Executive said that she would prepare a paper for the September meeting of the Board covering the work that has been done to date in relation to governance, including the outcomes from the meeting of the Board on 16 July and including the up to date position in relation to [Redacted].

Agenda Item 5: Chief Executive's Report

The ScotRail and CSL Managing Directors joined the meeting at 10.05

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

20. The Chief Executive said that the Chief Operating Officer's resignation has resulted in the loss of a Non-Executive Director on the Boards of ScotRail and CSL. She said that she intends to recruit to fill the Chief Operating Officer position and consideration is being given to the skill set needed. She said that the Executive Team has discussed the needs of the business and the recruitment that is needed, and the People and Culture Director will develop a paper for the Board's consideration.

21. The Chief Executive said that an Alliance steering group has been established to determine the format and steps needed for [Redacted], which was discussed at the SRH governance session on 16 July 2025. She said that she is a member of the steering group with [Redacted] and the Transport Scotland Director of Rail Reform, and she will report to the Board on the outcomes from the steering group. Carolyn Griffiths said that the Board needs to be represented on the steering group as the Board has yet to take a position in relation to [Redacted]. Brian Baverstock agreed with this and said that the work of the steering group should link in with the work that SRH has already undertaken on the governance review.

22. After full discussion the Board agreed:

- To hold a special meeting of the Board within the next four weeks to discuss this matter further
- The Chief Executive to prepare a briefing paper for the Board including the outcomes from the SRH Board governance review session on 16 July 2025
- The Chief Executive to discuss with the Transport Scotland Director of Rail Reform, SRH Non-Executive Director representation on the steering group as this is a Transport Scotland group

23. The Chief Executive said that she had a meeting with the Cabinet Secretary earlier this week along with the Managing Directors of ScotRail, CSL and Network Rail, Scotland. She said that matters discussed included:

- ScotRail and CSL fleet procurement
- The need for SRH to recruit a Programme Director for the new fleet projects
- Progress on the removal of peak fares
- ScotRail advertising campaign for peak fares removal "gone for good", [Redacted]
- Progress with the Rail Reform Bill
- Track and train performance and the root and branch review
- Network Rail recent infrastructure problems that have affected performance

ScotRail Update

24. The ScotRail Managing Director said that the Board should be aware of the recent problems with damage to overhead lines at the critical Hyndland area. She said that this was the biggest single infrastructure incident of cancellations in three years. She said that ScotRail is working closely with Network Rail on this and the cause relates

in part to older equipment and weather related issues. She said that prior to this event 90percent MAA had been achieved.

25. Carolyn Griffiths said that the SRH Board discussion is needed on how the performance of suppliers can be influenced and how the subsidiary companies are responding to supplier problems that affect performance. The ScotRail Managing Director said that there has been a significant improvement in train crew in relation to performance but there are challenges with the fleet, and she has tasked the executive team to challenge themselves to address these issues. She said that the Engineering Director will be giving a presentation to the ScotRail Board at its October meeting as the primary focus needs to be on the fleet for performance improvement.

26. Carolyn Griffiths said that ScotRail and CSL should set out their performance budget trajectories over the next few years with analysis of how performance is trending against the performance budget. The Chief Executive said that the Rail Business Director is currently undertaking work on performance monitoring and analysis and how this should be reported to the Board. The Rail Business Director said that a paper on this will be presented to the Board at its meeting on 18 September 2025.

CSL Update

27. The CSL Managing Director said that while MAA performance has been strong, in the last period Right Time operational performance had dropped under the stretch target of 82percent, however, at 81.55 percent remained above the base target of 80percent. The drop in performance was noted as being due to Network Rail infrastructure issues, including an evening of full service cancellations due to a line closure. He said that the slight downturn in performance was also being reviewed to identify the cause of locomotive operational performance. He said that guest satisfaction levels had recovered well from the dip in the last period mainly due to fleet issues.

28. The CSL Managing Director said that the [Redacted] had been identified and that CSL was working with their train manufacturer to re-approve a solution for this, based on the learnings from [Redacted], in order to get the coach back into service. He said that there had been problems with component failure in the auxiliary power supply, and HVAC issues continued to cause a challenge.

29. Carolyn Griffiths referred to the problems with the auxiliary power supply and said that [Redacted]. The CSL Managing Director said that work was ongoing with the manufacturer to solve the problem, [redacted] an independent [Redacted] report was awaited. He said that fitment of the required replacement part to eliminate any potential risk will start to be fitted by the end of the week and will take around two weeks to complete. He said that as an interim measure, visual inspections are ongoing [Redacted] and on-board inspections are being undertaken [Redacted]. The Chair asked the Managing Director to send an update to the Board on this matter.

30. Carolyn Griffiths asked if the gauging analysis work had been completed. The CSL Managing Director said that a report on this was being submitted to the next meeting of SHEC on 29 August 2025.

31. The Chair referred to the request from the Board at its previous meeting for a [Redacted] in relation to the anti-roll bar coach cracking risk assessment. The Managing Director said that this will be submitted to the next meeting of the Board.

Finance Update

32. The Finance Director said that outer year forecasts had been updated, and this had identified a [Redacted]. In relation to 2025/26, he said that there is a [Redacted] which includes the cost of the peak fares being abolished from 1 September, crystallised utilities and fuel costs pressure, and several SRH risk adjusted forecast overlays. He said that Transport Scotland has indicated that it would [Redacted].

33. The ScotRail Managing Director said that the expected uplift in revenue from events has not transpired and she is concerned about revenue levels. She said that the efficiencies programme is in place, and the executive team is continually looking for additional efficiency savings, but [Redacted] in relation to variable costs. [Redacted]

34. Brian Baverstock referred to the [Redacted] of efficiency savings that had been identified for 2025/26 and noted that there would likely be [Redacted] from this. He asked, with the revenue assumptions not materialising, would the remaining [Redacted] of efficiencies be deliverable. [Redacted].

35. Brian Baverstock referred to the [Redacted] in 2026/27 and said that fundamental changes were needed to [Redacted] and asked what was being done to address this. The Finance Director said that ScotRail has been commissioned by SRH to develop options for consideration to [Redacted] for submission to Transport Scotland by 19 September 2025. Brian Baverstock said that the Board needs to consider the submission before it is sent to Transport Scotland.

36. The Transport Scotland Director of Rail Delivery said that a meeting should be set up with Transport Scotland, SRH and ScotRail to discuss the options to be put forward to enable [Redacted]. The Chief Executive said that she would welcome this meeting but the options for [Redacted] are not just about savings, it is about income too. She said that the Rail Business Director was undertaking work in relation to [Redacted] and that should also be considered [Redacted]

37. The Board agreed that all options on areas for savings and income generation should be prepared to enable a [Redacted] for 2026/27, and this should be submitted to the Board for consideration. The Board also agreed that the options to be submitted to Transport Scotland should be used to enable a conversation with Transport Scotland and SRH Board on the [Redacted] of Scotland's railway and the need for a [Redacted], and in the wider context of the rail industry as a whole.

Agenda Item 6: New Fleet Strategy Overview

The Head of New Fleet Procurement and Delivery, the CSL Operations Director and CSL General Counsel joined the meeting at 11.55.

38. The Board considered the fleet strategy which had been developed to provide strategic direction to future fleet choices, a common understanding across all organisations within Scotland's Railway, and coordination with wider industry plans and Scottish Government policy.

39. The Head of New Fleet Procurement and Delivery said that the strategy will be reviewed and refreshed annually. He said that in parallel to the development of the strategy, the Transport Scotland [Redacted] is being updated.

40. The Board welcomed the strategy and noted that this begins the process of contextualising fleet and infrastructure and brings into focus the [Redacted] model. The Chief Executive said that she had been discussing the need for a paper like this for a while and this will be used to inform the SRH strategic plan.

41. The Director, Strategy and Investment, said that the strategy is used in other governance forums and all parties need to agree the document. He said that a few minor changes will be made, and this will come back to the Board for approval along with the depot strategy and existing lease extensions at the next meeting of the Board.

Agenda Item 7: CSL Locomotive Project Outline Business Case

42. The Board noted that CSL's locomotive services contract with GB Railfreight has a fixed end date of 2030. The outline business case (OBC) has been prepared to seek approval for running a procurement for a replacement service contract.

43. The Director, Strategy and Investment, said that briefing sessions were held for Board Members in July and August, and the OBC was considered by the CSL Board at its meeting on 1 August and approved at its meeting on 15 August for onward submission to SRH Board. He said that the draft Investment Decision Making Board (IDM) paper, prepared collaboratively with SRH, CSL and Transport Scotland, was also provided so that the Board had clear visibility of what was being presented to IDM. He said that the IDM would consider the paper and OBC at its meeting on 3 September and SRH Board approval to submit to Transport Scotland for onward submission to IDM was being asked for. The Chief

Executive said that once the OBC is approved by IDM the procurement process can commence, which will be subject to more CSL and SRH Board discussion and approvals.

44. CSL General Counsel gave the Board a summary of the background to getting to OBC stage and the resulting view that a [Redacted] would be the best strategic position and would obtain best value and was in line with the fleet strategy. He said that the recommendation was for a minimum [Redacted]

45. Carolyn Griffiths said that she had two issues in relation to the OBC, one in relation to [Redacted] the contract term and the other in relation to a [Redacted]. She said that she questioned whether there was a better deal to be had in extending the [Redacted]. She said that she was aware that CSL had made an approach to the interested parties to find out [Redacted] but she said that she did not accept this. CSL was asked to check the [Redacted].

46. CSL General Counsel said that [Redacted] had been debated at the CSL Board meetings on 1 August and 15 August and the two further approaches to interested parties had been undertaken with the result that [Redacted].

47. The Transport Scotland Director of Rail Delivery said that options and costs for [Redacted] could be included in the ITN process but reduced to one option for the Best and Final Offer (BAFO) stage. He said that the next stage in the process, if SRH Board approve the OBC, is for the OBC to be submitted to IDM, he said that submissions to IDM should be advice and recommendations not asking IDM to [Redacted].

48. Carolyn Griffiths said that a [Redacted] had not been explored fully in the OBC. She said that [Redacted], if controlled successfully, could reduce costs and she did not find the arguments against consideration of this compelling. The Chief Executive said that in her experience [Redacted] were beneficial where risks were not fully understood in a project, but the deliverability risks in this project were fully understood and should be detailed in the OBC. Carolyn Griffiths said that, in her view, the reasons why [Redacted] was not appropriate should be detailed in the OBC.

49. After full discussion the Board agreed that the OBC should be submitted to Transport Scotland for IDM consideration and recommendation for approval on the basis of a [Redacted] on the understanding that the [Redacted] would be further explored through the development of the procurement strategy and brought back to Board ahead of the launch of the procurement.

The CSL Managing Director, Operations Director and General Counsel, and the Head of New Fleet Procurement and Delivery left the meeting at 13.20.

Agenda Item 8: ScotRail: [Redacted]

Roz Foyer declared a conflict of interest in relation to this paper and recused herself from the meeting for this discussion.

50. The Board considered the paper requesting approval for a mandate to negotiate [Redacted].

51. The Managing Director said that there is a direct link between [Redacted] and the ongoing work at ScotRail to [Redacted]. The Managing Director clarified that the commitment to [Redacted] will be delivered in 2027, regardless of whether or not [Redacted] is delivered, and that the work being delivered in 2027 was only ever planned to impact [Redacted]. She said that the commitment to achieving [Redacted] by December 2027 was made through [Redacted].

52. The main points from the Board's discussion were:

- Is there an evidence base to substantiate the ratio of drivers required
- Information on affordability and how the options will be funded is not detailed in the paper
- It is not clear why the option of [Redacted] cannot be pursued further
- It will not be possible to agree to [Redacted] in the outer years, at this stage as there is no [Redacted] available for that period as yet
- The requirement to deliver [Redacted] has been agreed since [Redacted] and concern was noted as to why the paper is just coming to the Board now and the Board being pressed for a decision by October 2025

- How many [Redacted] should the recommended proposals be approved
- In relation to the potential revenue generation from [Redacted] social and sporting events that ScotRail is not currently servicing, the realistic evidence based position on this needs to be set out
- Have any other train operating companies integrated [Redacted] and if yes, did they have [Redacted]

53. The ScotRail Managing Director said that a benchmarking paper in relation to [Redacted] and how the conclusion regarding [Redacted] was arrived at has been considered by the ScotRail Board. She said that she would circulate this to the Board. She said that more work is being done on gathering the data on hospitality and retail revenue between [Redacted] and the potential revenue increase from additional [Redacted]. She said that the cost savings from [Redacted] can be offset to fund part of the proposals. She said that even if [Redacted], which she suspected they would not, it would take between 14 and 20 years to deliver [Redacted] given the forecast attrition levels. She said that requesting approval for a [Redacted] for the outer years is ambitious, but this follows from previous criticism of ScotRail proposals being less than ambitious. She said that the October deadline is necessary if the proposals are to be agreed [Redacted] prior to the Scottish elections next year.

54. General Counsel noted that Transport Wales has [Redacted] at a [Redacted] and asked if there was any assurance that [Redacted] would accept the deal if the option recommended in the paper was approved. The ScotRail Managing Director said that she would include the data from Transport Wales for the Board. She said that discussions with [Redacted] on this matter had been ongoing for a while and if approval is given to [Redacted].

55. The Chief Executive said that the proposals need to be more robust with detailed analysis of the risks and opportunities.

56. The Board agreed that additional information, as discussed, is needed and the updated paper should be submitted to the next meeting of the Board in September.

57. Prior to the ScotRail Managing Director leaving the meeting, the Transport Scotland Director of Rail Delivery referred to the ScotRail Customer Contact Centre contract that was recently tendered and awarded to the successful bidder. [Redacted].

The ScotRail Managing Director left the meeting at 13.57.

Agenda Item 11: Strategic Internal Audit Plan

The Board agreed to take this agenda item out of line to accommodate other commitments. The Audit and Risk Manager joined the meeting. Roz Foyer re-joined the meeting.

58. Brian Baverstock said that the SRH Group internal audit contract had been put in place in July and the plan for 2025/26 was an initial plan to get the internal audit activity started and this would be developed. He said that similar plans had been put in place for ScotRail and CSL and these would be developed to put in place a group approach to internal audit planning and allocation of resources. He said that he had also asked the internal auditors to undertake a high-level review of risk management across the SRH Group as part of the 2025/26 work plan.

59. Carolyn Griffiths said that she had some suggestions on what could be included in the internal audit work plan, including supplier management and capital planning. She said that there was a mis-match between the internal audit plan and the audit universe table in relation to health and safety audit timescales and asked for this to be checked. She noted that management will be asked for input on the internal audit plan and said that the Board should also be asked for input.

60. The Board approved the strategic internal audit plan for 2025/26 with the addition of the high-level risk management review.

The Audit and Risk Manager and Brian Baverstock left the meeting at 14.07.

Agenda Item 9: Membership of PAG and FROG

The Director, Strategy and Investment, left the meeting for this discussion.

61. The Board considered the paper seeking approval of the revised membership of the Procurement Assurance Group (PAG) and the Fleet Replacement Oversight Group (FROG) due to key members of staff leaving SRH and ScotRail.

62. The proposal was to replace the SRH Chief Operating Officer with the Director, Strategy and Investment on an interim basis until Scottish Government Procurement team provide a suitable person to join PAG, and to replace the ScotRail Strategy and Planning Director with the ScotRail Fleet Strategy Director on an interim basis until a permanent replacement for the ScotRail Strategy and Planning Director is in place.

63. The Board approved the proposals and also agreed that the Director, Strategy and Investment should be a permanent member of PAG alongside the Scottish Government procurement professional and should remain on PAG when he returns to his substantive post with Network Rail, subject to there being no conflict of interest. ***[Post meeting note – impact on legal professional privilege of legal advice considered by PAG members who are not SRT / SRH employees to be resolved, and may need this decision to be reconsidered]***

64. General Counsel said that the assurance group for the CSL new locomotive procurement, Loco Replacement Oversight Group (LROG) was not yet live, but the Scottish Government Procurement professional will replace the SRH Chief Operating Officer on that group. He said terms of reference for LROG will be submitted to the Board in due course.

Agenda Item 10: SRH Human Resource (HR) Provision

65. The Board considered and approved the recommendation for SRH HR provision to be enabled through integration with CSL's Microsoft Dynamics 365 system. The Board approved the costs for this project as detailed in the paper.

The Transport Scotland Director of Rail Delivery and the Rail Business Director left the meeting at 14.27.

Agenda Item 12: Updated Counter Fraud Policy

66. The Board considered the updated Counter Fraud Policy and noted that the changes made were to bring the policy into line with the requirements of the Scottish Public Finance Manual. The Board also noted that this had been considered by the Audit and Risk Committee at its meeting on 11 August 2025 and the Committee had recommended the policy to the Board for approval.

67. Carolyn Griffiths said that there [Redacted] and how the Board is assured that there are appropriate internal control mechanisms in place. The Chief Executive said that the fraud policy refers to the risk management strategy and the executive team takes time to identify risks and lessons learned and through this will assist in the identification of fraud.

68. After discussion, the Board noted that Carolyn Griffiths will send her comments on the policy to the Finance Director who will re-circulate the tracked changes to the Board by email for approval. General Counsel reminded the Board that any decision taken by correspondence needs to be unanimous and properly recorded.

Agenda Item 13: SRH Code of Governance/Code of Conduct

69. The Board considered the paper regarding the existing SRH Code of Governance and approved the following recommendations in the paper:

- To seek Transport Scotland approval [Redacted].
- To replace the current Code of Conduct for Board Members (contained in the Code of Governance) and adopt the Model Code of Conduct for Members of Public Bodies approved and issued by Scottish Ministers on 7 December 2021 under the Ethical Standards in Public Life etc (Scotland) Act 2000 as the basis of a new standalone Code for SRH.

- Assign the responsibilities of a Standards Officer (required under the Ethical Standards in Public Life etc (Scotland) Act 2000) to the General Counsel and the Legal Directorate.
- Retain the current Scheme of Delegation and ask General Counsel to schedule a date for review.
- Retain the current Terms of Reference for the Board and ask General Counsel to schedule a date for review.

Agenda Item 14: Board approval for SRH to adopt the Model Publication Scheme

70. The Board agreed that SRH should adopt the Model Publication Scheme as approved by the Scottish Information Commissioner.

Agenda Item 15: Revised Terms of Reference for SRH Audit and Risk Committee

71. The Board considered and approved the revised terms of reference for the Audit and Risk Committee subject to additional wording to make it clear that the Committee should review and report to the Board in relation to risk management.

72. The Board confirmed the appointment of Brian Baverstock as Chair of the Committee and Roz Foyer as a member of the Committee. In regard to appointing a third Non-Executive member to the Committee, the Board agreed to consider this at the next meeting of the Board on 18 September 2025.

Agenda Item 16: Review of Terms of Reference for SRH Remuneration Committee

The Transport Scotland Director of Rail Delivery rejoined the meeting at 14.51.

73. The Board considered the revised terms of reference for the Remuneration Committee.

74. Carolyn Griffiths said that the Committee should not approve the pay remit, it should make a recommendation to the Board, and this should be changed in the terms of reference. She asked for this position to be checked against the SRH Articles of Association.

75. The Board noted that SRH is part of the main Scottish Government pay bargaining unit and therefore does not require to submit a pay remit. However, in the event that circumstances changed and a pay remit was required, the terms of reference should state that the Committee will make recommendations to the Board.

76. Carolyn Griffiths referred to membership and attendees of the Committee and said that most of the SRH directors attend the Committee which [Redacted].

77. The Board agreed to defer approval of the terms of reference to the next meeting of the Board.

Agenda Item 17: Non-Executive Director Expenses Policy

78. The Board agreed to defer consideration of the Non-Executive Director Expenses Policy to the next meeting of the Board.

Agenda Item 18: Capital Approvals

79. The Board was asked to approve authority to spend on two business cases that had been considered by the Capital Investment Panel. The Director, Strategy and Investment said that there are some [Redacted] of the business cases which need to be addressed but there is sufficient information to allow the Board to make a decision for the business cases to progress to the next stage of the approval process with Transport Scotland.

ScotRail Software Defined Wide Area Network (SDWAN)

The Board considered and approved authority to spend for this business case and agreed it should progress to the next stage of the approvals process with Transport Scotland.

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Agenda Item 19: New Fleet Procurement – Period Four Progress Reports

80. The Board noted the period four new fleet procurement progress reports.

Agenda Item 20: SRH Group Finance Report

81. This item was dealt with under agenda item five, Chief Executive's report.

Agenda Item 21: British Transport Police (BTP) Liaison Post

82. [Redacted]

83. [Redacted]

Agenda Item 22: Committee Updates

84. The Board noted the Audit and Risk Committee approved minutes of the meeting held on 7 May 2025 and the draft minutes of the meeting held on 11 August 2025.

Agenda Item 23: Any Other Business

85. The Board agreed that, going forward, Board meetings should be scheduled for full day sessions with a lunch break.

86. The Board noted the appointment of Mike Bagshaw as a Non-Executive Director. The Chair said that he would be discussing with the Chief Executive and Mike Bagshaw, the allocation of time for Committee work. Carolyn Griffiths said that she would speak to Mike Bagshaw to look at options to consider safety related work

87. The Chair said that a revised job specification for an additional Non-Executive Director was being discussed with General Counsel, and this would be discussed further with Transport Scotland and an advert for the appointment would hopefully be issued soon.

88. The Chair said that the draft minutes of meeting are issued to all Board members within a few days of the meeting and any comments or proposed changes to the minutes must be sent to the Board Secretary prior to the next meeting and in line with the timescales notified to Board Members. General Counsel reminded Committee Chairs of the need to report to Boards after each Committee meeting and that draft minutes of Committee meetings will now be submitted to the next meeting of the Board following the Committee meeting.

89. General Counsel said that formal notification of the commencement of director identity verification had now been received from Companies House and all SRH directors had completed this with the exception of one who had completed but not yet submitted the code to SRH, and the newly appointed Non-Executive Director who would be asked to do this on his return from holiday. He said he would follow this up.

90. General Counsel said that when Board Members are sending notification of entries for the SRH gifts and hospitality register they should be mindful of the need for them to add the entries to the ScotRail and CSL gifts and hospitality registers where they are also a member of those Boards. In these situations, Board Members can inform SRH staff who will share the information with ScotRail and CSL or they can send the information direct to ScotRail and CSL. He said that any hospitality received in connection with the railway, even if the invitation to an event is on the basis of something outwith SRH, ScotRail and/or CSL, and declared on the gifts and hospitality register of another organisation, this must also be declared on the SRH/ScotRail/CSL gifts and hospitality registers.

91. General Counsel said that there is also a non-hospitality engagement register that SRH has established to record any planned or unplanned interactions that Board Members may have with individuals who may have a connection

with the railway industry. He said that it was important for such interactions to be recorded particularly given the new fleet and new locomotive procurement projects that are ongoing. He reminded Board Members of the need to declare any potential conflicts of interest on meeting agenda items even if relevant entries are logged on the register of interests, the gifts and hospitality register and/or the non-hospitality engagement register.

92. General Counsel said that the work required [Redacted] was ongoing but there appeared to be a confusion [Redacted]. He said that timing here was imperative as ScotRail and CSL will require to run a tender exercise in the near future [Redacted].

93. The Chief Executive said that if such a procurement is run it may result in [Redacted].

94. The Chair asked General Counsel to copy him into the correspondence following up on this as this needs to be finalised immediately. The Transport Scotland Director of Rail Delivery said that he will also take this up with his team.

Agenda Item 24: Date of Next Meeting

95. The next meeting of the Board will be held on 18 September 2025.