

## Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 13 November 2025, 09.30 to 17.15

Location: Room 11, St Vincent Plaza / Via Teams\*

Present: Iain Docherty – Chair  
Hannah Ross – Chief Executive  
Brian Baverstock – Non-Executive Director  
Carolyn Griffiths – Non-Executive Director\*  
Mike Bagshaw – Non-Executive Director (from 09.45)  
Neil Amner – General Counsel  
Roz Foyer – Non-Executive Director  
John MacQuarrie – Rail Business Director  
Campbell Davidson – Finance 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 11)\*  
Joanne Maguire – ScotRail Managing Director (for items 8, 9 and 10)  
Derek Marchant – ScotRail Chief Financial Officer (for items 8 and 9)  
[Redacted] – Head of New Fleet Procurement and Deliver (for item 8)  
[Redacted] – ScotRail Fleet Strategy Director (for item 8)  
[Redacted] – Network Rail Principal Programme Sponsor (for item 8)  
[Redacted] – Director Dignity HR Solutions (for item 14)\*  
[Redacted] – Financial Controller (for items 6 and 7)  
[Redacted] – Project Accountant (for items 6 and 7)  
[Redacted] – Board Secretary

Apologies:

### **Agenda Item 1: Notice, apologies, and quorum**

1. The Chair welcomed everyone to the meeting.
2. 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 9 October 2025, 22 October 2025 subject to minor amendment at paragraphs 50 and 106, 22 October 2025 joint meeting with ScotRail Board, and 28 October 2025.

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

5. The Chief Executive referred to the meeting of the Board held on 9 October 2025 regarding the appointment of the permanent CSL Managing Director. [Redacted]. She said that she would discuss the appropriate salary level with the CSL Remuneration Committee.

6. The Board noted that the reasoning of the interview panel in relation to the preferred candidates would be documented for the CSL Remuneration Committee. The Board also noted that under the Framework Agreement, the Chief Executive has the responsibility to appoint the CSL Managing Director, and the Remuneration Committee under its terms of reference has responsibility to approve, in consultation with the SRH and CSL Board Chairs, the remuneration and terms and conditions for the Managing Director in line with public sector pay policy.

7. The Board confirmed the appointment of Mike Bagshaw as a member of the ScotRail and the CSL Audit and Risk Committees. Membership of Committees will be reviewed annually as part of the annual review of the terms of reference.

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

9. In relation to actions 36/2025 and 37/202, the Rail Business Director said that he was preparing a note, which will issue this week, to address the matters raised by Transport Scotland in relation to [Redacted] and East Kilbride. [Redacted]

10. [Redacted]

11. In relation to action 78/2025, the Chief Executive said that this should be split into two actions to develop the [Redacted] and to look at budget options for 2026/27 and longer term. [Redacted]

12. In relation to action 79/2025, the Chief Executive said that the paper on [Redacted] had been sent to Transport Scotland for discussion. [Redacted]

13. Carolyn Griffiths referred to the root and branch review mentioned in action 38/2025 and asked if there would be a work plan as a follow-up to the review. The Chief Executive said that there are various performance plans in place and work is being done to try and bring these altogether into one plan which will include the outcomes from the root and branch review. She said that Network Rail and ScotRail are creating a delivery plan which will be submitted to the Board in due course.

14. In relation to action 84/2025, the Rail Business Director said that he had discussed [Redacted]

15. The Board agreed to close actions 76/2025, 77/2025, 80/2025, 81/2025, 83/2025, 85/2025 and 86/2025, 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**

16. The Board considered the Chief Executive's update report.

17. The Chief Executive said that there were no cyber incidents to report. General Counsel said that the IT agreement with ScotRail is almost finalised and the system for mandatory password changes and two stage authentications had been implemented. He said that the default classification for all SRH emails had been changed to "official".

18. The Chair thanked the non-executive directors for completing the essential training modules.

19. The Chair asked for an update on the ScotRail revenue position. The Chief Executive said that work is ongoing in relation to ScotRail forecasting to ensure that revenue estimates [Redacted]. She said that the SRH Service and Performance Analyst is continuing to analyse trends to inform revenue estimates, [Redacted].

20. Mike Bagshaw said that Office of Rail and Road (ORR) statistics show revenue growth in some train operating companies down South being a lot higher than ScotRail's revenue growth and asked if there were known reasons for this. He said that ScotRail's performance shows reasonable improvement, but this does not show in the revenue growth. He said that there could be opportunities [Redacted].

21. The Chair said that the main reason given for lack of revenue growth is the downturn in the economy, but this now needs to be challenged as the economy in Glasgow and Edinburgh is growing as fast as any other area. He said that consideration should be given to [Redacted].

22. [Redacted]. The Finance Director said that revenue growth and the work being undertaken by the Rail Business Director were important in relation to the budget challenge for 2026/27. He said that it was also important for the correct KPIs to be set for ScotRail to encourage revenue growth and opportunities for wider initiatives.

23. Brian Baverstock said that he had [Redacted]. The Transport Scotland Director of Rail Delivery said that he welcomed the Board's discussion of these matters as it was important that ScotRail has drive and ambition to look at all possibilities for revenue growth.

24. [Redacted]

25. The Chief Executive said that to improve the process of looking at in-sourcing contracts she had asked for the procurement forward planner to be submitted to the ScotRail Board and measures were being put in place to avoid a similar situation [Redacted] reoccurring. She said that excellent work had been undertaken by CSL in transitioning from Serco to bring various functions in-house including finance and HR, and this system has the ability to expand to cover other parts of the SRH Group.

26. Brian Baverstock said that in considering a report on shared services at the Audit and Risk Committee, Roz Foyer had mentioned the matter about out-sourced contracts and the Committee had asked General Counsel to look at additional opportunities for shared services. He said that the expectation from the Committee was to obtain the ScotRail contracts register so that this can be reviewed for shared services opportunities. The Chief Executive said that she has asked ScotRail to provide this. The Transport Scotland Director of Rail Delivery said that some external procurement is not classed as out-sourcing and a review of whether a service was performed within the company previously could assist in determining this.

#### **Agenda Items 6 and 7: 2024/25 Audit Scotland Annual Audit Report, and Annual Report and Accounts**

The Financial Controller and the Project Accountant joined the meeting.

27. The Board considered the 2024/25 Audit Scotland report.

28. Brian Baverstock said that the report was highly positive and constructive and provides focus on areas of improvement for SRH. Roz Foyer said that she agreed with this and said that the report shows the good progress made by SRH. As members of the Audit and Risk Committee both Brian Baverstock and Roz Foyer congratulated the team on the excellent work that has been undertaken which has resulted in Audit Scotland providing a clean audit opinion on the 2024/25 accounts. The Chief Executive said that she is proud that so much work has been done by SRH in a short period of time to ensure a positive audit report.

29. The Board considered the 2024/25 Annual Report and Accounts which had been recommended for the Board's approval by the Audit and Risk Committee. The Board approved the 2024/25 Annual Report and Accounts and noted that these would be signed today and would be laid in the Scottish Parliament on 5 December 2025.

30. The Finance Director said that he would like to thank the whole SRH staff team who all contributed to the work to get the annual report and accounts prepared and he noted particular thanks to the Project Accountant and the Financial Controller. The Chair also thanked the Audit and Risk Committee members.

The Board took a break for the Annual Report and Accounts to be signed. The Financial Controller and the Project Accountant left the meeting.

## **Agenda Item 8: Intercity New Fleet – Draft Final Business Case and Agenda item 9: ScotRail Capital Business Case: Legacy Fleet Refurbishment/Refresh**

The ScotRail Managing Director, ScotRail Chief Financial Officer, ScotRail Fleet Strategy Director, Network Rail Principal Programme Sponsor and the SRH Head of New Fleet Procurement and Delivery joined the meeting and the meeting convened as a joint meeting of SRH Board and ScotRail Board, from 11.20 to 13.40, the minute of which has been prepared separately.

The ScotRail Fleet Strategy Director, the Network Rail Principal Programme Sponsor and the SRH Head of New Fleet Procurement and Delivery left the meeting at 13.05.

The ScotRail Chief Financial Officer left the meeting at 13.40.

## **Agenda Item 10: ScotRail Managing Director Update**

31. The ScotRail Managing Director said that she would send her monthly Board update to the Board Secretary to circulate to the Board. She highlighted the following from period seven:

- The first named storm of the season occurred in the period;
- This was the first full period with peak fares removed, statistics are showing an increase in journeys of around seven percent which was an increase from the forecasted four percent, but revenue has not increased in line with this as there is a short journey trend;
- The results of the recent staff survey, Your Voice, will be presented to the next ScotRail Board and then to the SRH Board;
- Participation in the survey has increased with engagement up to 70percent; and
- There has been a large increase in all scores from the survey.

32. The Chair asked the ScotRail Managing Director for an update on revenue and timetable optimisation and the position with [Redacted].

33. The ScotRail Managing Director said that the revenue pressure remains, and a concerning factor is the number of high street retail facilities closing as retail moves to out of town locations. She said that revenue growth is now mainly leisure driven rather than retail. She said that special events now provide increased revenue opportunities which can reach high levels, but this does not provide sustained growth. She said that a working group is starting to look at [Redacted]. She said that, as previously suggested by Mike Bagshaw, [Redacted].

34. Brian Baverstock asked to what extent does ScotRail look at what other train operating companies are doing in relation to revenue growth. The ScotRail Managing Director said that ScotRail has [Redacted]. She said that getting profit information from other train operating companies is not easy and she can look to the Rail Delivery Group to try and obtain relevant data.

35. The Chair said that data on the retail market in Glasgow and Edinburgh city centres shows an increase, with Glasgow currently showing a 9.4percent increase from the previous year but this is not being seen in rail revenue and the reasons for this should be ascertained. Mike Bagshaw referenced another train operating company who was not performing well but had seen 13percent revenue growth.

36. The Transport Scotland Director of Rail Delivery said that detailed, well explained options are needed that look at [Redacted].

37. Roz Foyer congratulated the ScotRail Managing Director on the positive results from the recent staff survey. She said that she wanted to ask the ScotRail Managing Director about ScotRail's position in relation to fair work practices in relation to procurement. She said that her request for information relates to the recent position [Redacted] She said that she would like to see a long-term plan for bringing services in-house through shared services arrangements and assurance that fair work practices were being followed.

38. The ScotRail Managing Director said that ScotRail has regular contract reviews with the Trade Unions. She said that in relation to the [Redacted], in-house options were considered but these were a lot more expensive. She said that she would provide the detail on this and on the fair work practices to address the points made. She said that ScotRail is looking at options [Redacted]. General Counsel asked about other out-sourced contracts and referred to [Redacted]. The ScotRail Managing Director said that this is being worked on with Network Rail.

The ScotRail Managing Director left the meeting at 14.07. The Board had a lunch break from 14.07 to 14.30

#### **Agenda Item 11: CSL Managing Director Update**

The CSL Managing Director joined the meeting at 14.30.

39. The CSL Managing Director provided the following update to the Board:

- Operational performance in period seven was challenging due to infrastructure issues, some of which related to matters outwith the control of Network Rail;
- The Managing Director is discussing with the Chief Executive a group led approach to infrastructure challenges;
- Boarding performance improved in the period;
- Guest satisfaction levels remain strong and above target;
- Revenue continues to be strong with the slight decrease from forecast being off-set through the network Rail compensation scheme;
- Absence rates have improved to a more positive position;
- The launch of the new service route at Birmingham International continues to be successful with [Redacted] in sales generated to date, the first service will operate on 15 January 2026;
- In relation to coach cracking [Redacted]
- [Redacted]
- [Redacted]

40. The Board discussed possible additional support measures for CSL in relation to Network Rail's performance and noted that there were a few forums in place in relation to performance for ScotRail and Network Rail, but these would not be applicable for CSL given its different service pattern. The Chief Executive said that the SRH Service Performance Lead had suggested that CSL becomes a member of the West Coast main line forum. Mike Bagshaw said that he would speak to the Managing Director of Avanti West Coast to find out the detail of any suitable forums for CSL to join.

41. The CSL Managing Director said that CSL has a good level of engagement with Network Rail but there is a need to ensure that CSL services receive the right level of attention when infrastructure issues are affecting CSL's operational performance. Mike Bagshaw asked if the [Redacted] The CSL Managing Director said if [Redacted] this would provide more flexibility than having [Redacted].

42. Carolyn Griffiths said that discussion has been ongoing through ScotRail SHEC as to how Network Rail ensures that it is doing enough to mitigate infrastructure risks. She said that a meeting has been arranged for 8 December 2025 to discuss these matters, in particular vegetation management, and she would invite CSL to this.

43. The CSL Managing Director gave an overview of the journeys purchased to and from the new service at Birmingham International and said that deeper analysis will be undertaken as the service progresses. The Chair asked if analysis would include passenger mode of access to the station. The CSL Managing Director said that he would look at how surveys could be expanded to include this data.

44. The Board noted that the CSL Managing Director would inform the Board if there was any material change to the end November target for completion of [Redacted].

The CSL Managing Director left the meeting at 15.02.

#### **Agenda Item 14: [Redacted]**

This item was taken out of line with the agenda.

45. The Chair noted that the Railways Bill was introduced to the House of Commons on 5 November 2025 which included three options in relation to rail for Scotland.

46. [Redacted]

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

47. [Redacted]

[Redacted]

#### **Agenda Item 12: Capital Approvals**

65. The Board considered the following capital business cases seeking authority to spend:

*[Redacted]*

66. The Board noted that additional information requested at the Capital Investment Panel meeting on 5 November had not been included in the business case for the Board. The Board agreed that the information provided did not portray an actual business case and the Board did not approve authority to spend.

*[Redacted]*

67. The Board considered the business case for modernising ScotRail's [Redacted], specifically to replace ScotRail's ageing [Redacted], to launch a new and enhanced [Redacted] and [Redacted]

68. The Chief Executive said that ScotRail has engaged with groups which included Transport Scotland, on this project over the past year but it is not yet established if the project is fully aligned with the strategic requirements of Transport Scotland on [Redacted]. She said that a meeting had been arranged with the Transport Scotland [Redacted] on 21 November 2025 to discuss this and the business case should not progress through the approval process to Transport Scotland until after that meeting.

69. The Board noted that given the importance of this project being aligned with Transport Scotland's [Redacted] strategy, the business case should provide the detail of how Transport Scotland's strategic requirements are being met. The Board did not approve the business case and said that this should be revised, pending the outcome of the discussions at the meeting on 21 November, and re-submitted to the Board for approval.

*[Redacted]*

70. The Board considered the three separate business cases.

71. The Board noted that the [Redacted] work is not fleet specific and would not require to be adapted further for new trains.

72. Brian Baverstock asked how assurance is given to the Board that the procurement is robust, compliant and that value for money is being obtained, and whether full competition is undertaken or whether minimum number of quotes are requested. The Director Strategy and Investment said that these business cases would all go through the ScotRail procurement policy process.

73. The Chief Executive said that she had previously spent time, along with Carolyn Griffiths, as had the Transport Scotland Director of Rail Delivery in his previous position in SRH with the ScotRail procurement department. She said that she was assured with the procurement process, but she said that ScotRail should have a procurement strategy in place. She said there will be occasions where it is a single supplier market, as the supply chain for rail needs to be better developed, but where this is not the case open procurement is undertaken.

74. The Board agreed to approve the three business cases subject to confirmation of the procurement route for each one.

**Agenda Item 13: Revised Complaints Handling Procedure**

75. The Board noted that SRH did not as yet fall within the remit of the Scottish Public Services Ombudsman (SPSO). The Board considered and approved the revised complaints handling procedure which replaced the SPSO as the third tier of complaint resolution with the Chair of the Board.

**Agenda Item 15: Update on SRH Approach to Best Value**

76. The Board noted the report providing an update on the development and implementation of the duty of Best Value. The Board asked for this to be submitted to the next meeting of the Board for discussion.

**Agenda Item 16: SRH Group Finance Report**

77. The Board noted the Finance report. The Finance Director confirmed that additional funding [Redacted] had been agreed for the current year to cover the cost of the removal of peak fares.

**Agenda Item 17: Capital Spend Report**

78. The Board noted that this item had been taken off the agenda and would be reported to the Board at its next meeting.

**Agenda Item 18: Updates from PAG and FROG**

79. There were no separate updates for the Board to consider.

**Agenda Item 19: Committee Updates**

80. The Chair of the Audit and Risk Committee said that his update from the Audit and Risk Committee meeting on 5 November 2025 had already been provided through various items on the agenda.

**Agenda Item 20: Communications Report**

81. The Board noted the communications report.

**Agenda Item 21: Any Other Business**

82. The Chair asked for clarification in regard to the tax position for non-executive director expenses and asked for this to be provided quickly as he needs this for sign off on timesheets.

**Agenda Item 22: Date of Next Meeting**

83. The next meeting of the Board will be held on 11 December 2025.