Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 5 February 2026, 09.30 to 17.25

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 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 Joanne Maguire – ScotRail Managing Director (for items 6 to 11) Derek Marchant – ScotRail Chief Financial Officer (for items 6 to 11) David Ross – ScotRail Chief Operating Officer (for items 6 to 11) Graham Kelly – CSL Managing Director (for items 8 to 14) Hugh Anderson – CSL Finance Director (for items 8 to 14) Sam Price – CSL General Counsel (for items 8 to 14) Graham Eastwood – CSL Operations Director (for items 13 and 14) [Redacted] – Financial Controller (for items 8 to 11) [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 meeting held on 11 December 2025 subject to amendment at paragraphs 28, 73, 62 and 95.

5. The Board approved the minutes of the joint meeting of the SRH and ScotRail Board's held on 11 December 2025 subject to minor amendment at paragraphs 7 and 9.

6. The Board approved the minutes of the meeting held on 8 January 2026 subject to minor amendment at paragraphs 12 and 30, and subject to:

- General Counsel reviewing the proposed changes to the terms of reference for the SRH Group Audit and Risk Committee (ARC) and clarifying whether further amendment and/or discussion is required on the Group ARC's consideration of subsidiary company risk registers in the event that there are no subsidiary non-executive directors present at the meeting;
- Checking the recording of the meeting on 8 January to clarify whether it was agreed that subsidiary Boards should be asked to approve the SRH Group ARC terms of reference, noting that Carolyn Griffiths had said that the terms of reference should also be agreed by the subsidiary Boards; and
- Clarification on whether SRH Articles of Association require SRH to approve terms of reference for the Safety, Health and Environment Committees, General Counsel and Chair of SHEC to discuss.

Agenda Item 4: Actions and Matters Arising

7. The Finance Director referred to paragraph 48 of the minutes of the meeting held on 11 December 2025 and asked about the timing for the approval of the fleet lease extensions and the issuing of the VEAT notice. The Chief Executive said that the lease extensions would be considered by the ScotRail Board at its meeting on 19 February and then by the SRH Board at its meeting on 5 March. *(post meeting note: the VEAT notice was issued on 16 January 2026).*

8. In relation to paragraph 90 of the minutes of the meeting held on 11 December 2025, the Chief Executive confirmed that the proposed amendment by Network Rail to the [Redacted] had been removed as there has as yet been no discussion regarding delegations.

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

10. In relation to action 58/2025, the Chief Executive said that a review is being undertaken to simplify the Transport Scotland governance/reporting structures which will include the Rail Portfolio Board. The Chair said that the link from Rail Portfolio Board to SRH Board is through the Chief Executive's report to the SRH Board. Close action.

11. In relation to action 66/2025, the revised counter fraud policy had been emailed to the Board for approval. Additional amendments had been received, and this will be considered by the Audit and Risk Committee at its meeting on 11 February 2026 and thereafter submitted to the Board for approval. Close action.

12. In relation to action 82/2025, the amendments to the draft terms of reference for the SRH Group Audit and Risk Committee and the SRH Group Remuneration Committee had been issued to the Board by email. General Counsel will arrange a meeting with relevant Non-Executive Directors and the Chair if further discussion is necessary.

13. In relation to action 96/2025, the scope for the governance review procurement had been emailed to the Board and the Board agreed to close this action. [Redacted]. She said that Scottish Government procurement department would be conducting the procurement [Redacted]

14. The Board agreed to close actions 64/2025, 94/2025 and 95/2025, as these had been completed, moved to the Board planner or were tabled on the agenda for this meeting.

15. It was noted that the Group Tax Strategy 2025/26 had been approved by the Board by correspondence.

Agenda Item 15: Suburban New Fleet Financier Contract Notice

The Board agreed to take this item out of line with the agenda.

16. The Board considered the paper requesting approval of the Suburban Financier Contract Notice.

17. The Board noted that the suburban train manufacturer procurement commenced on 5 November 2025 and the procurement of the financier will be run in parallel to enable funding of all deliverables and both procurements must remain aligned to reach invitation to negotiate stage by [Redacted].

18. [Redacted]

19. The Transport Scotland Director of Rail Delivery said that [Redacted]. He confirmed that Ministers can make decisions in the pre-election period on active projects. The Chair asked that the pre-election briefings by Transport Scotland highlight that the timeline for the procurement may require incoming Ministers, following the Scottish Parliament elections on 7 May, to be asked for a decision soon after taking up office.

20. The Board approved the Financier Contract Notice subject to it being made clear that there may be other funding options. The communications plan will also provide clarity on this.

21. The Chair asked for further information relating to the timeline risks and mitigations and said that this will be discussed at his next meeting with the Transport Scotland Chief Executive.

Agenda Item 6: ScotRail Managing Director Update

The ScotRail Managing Director, Chief Operating Officer and Chief Financial Officer joined the meeting at 10.40

22. The ScotRail Managing Director gave the Board an update on rail periods nine and ten including:

- December had the busiest days of the year for ScotRail and the busiest Boxing Day for ten years due to additional services being provided, further work will be undertaken to provide further additional services for boxing day 2026;
- While patronage had increased this related in the main to short journeys which did not provide an increase in revenue, the reporting period also had weather storms and the impact from the removal of peak fares which also impacted revenue;
- Media coverage has been positive and revenue protection officers have been supporting on leisure and sporting events days;
- Despite wiring problems at Central station, STPM performance was the best period 10 in nine years with period output at 88.5percent and there was a significant improvement in decreasing the number of cancellations and short formations;
- 24 drivers completed the training programme in December;
- The fitting of sanders to improve wheelslip performance has had a positive impact with a 70percent reduction in issues during the Autumn period from the previous year;
- Challenges remain in depots due to ageing infrastructure; and
- ScotRail delivered 70percent electric trains on the East Kilbride line.

23. The ScotRail Chief Operating Officer gave the Board an update on the Carmont Fatal Accident Inquiry. The last day of evidence was on 4 February 2026 and the date for further written submissions to be received was set.

24. Carolyn Griffiths said that she would like a better understanding of Network Rail's work programme relating to the risk of ground water saturation and for this to be considered and whether additional capital investment is needed. The ScotRail Managing Director said that a planning meeting is being arranged with Network Rail and the ScotRail Safety, Health and Environment Committee.

Agenda Item 7: Intercity Delivery Governance

25. The Board considered the paper requesting approval of the Intercity transition fleet project governance structure and arrangements and the proposed governance implementation programme milestones and stage-gates.

26. The Director, Strategy and Investment confirmed that the project delivery group will, over the next six to nine months, get the plan in place for benefits realisation, timetable changes etc. The Board will have visibility of this through the progress reports.

27. The Board discussed the stage-gate milestones and agreed that these have to be at the right level to ensure that the SRH and ScotRail Boards receive assurance without duplication. The Director, Strategy and Investment said that

the periodic in-depth review of risk will be undertaken by the Delivery Oversight Group who will submit periodic reports to both Boards to ensure complete visibility and will similarly escalate any out of line risks.

28. The Board approved the governance structure and arrangements, and the governance implementation programme milestones and stage-gates, subject to confirmation of the members of the Delivery Oversight Group.

Agenda Item 8: SRH Group Budget 2026/27

The CSL Managing Director, General Counsel and Finance Director joined the meeting at 11.25.

29. The SRH Finance Director said that SRH had received the indicative funding allocations for the SRH Group for 2026/27 [Redacted].

30. In relation to the draft budget for SRH Limited the Board noted that, in line with the public sector reform agenda, SRH has sought alternative ways of filling some required staff roles through secondment opportunities. The final draft budget will be submitted to the Board at its March meeting for approval.

Agenda Item 9: ScotRail Budget 2026/27 and Income Generation and Efficiency Options

The Director, Strategy and Investment left the meeting at 12.00.

31. The Board considered the draft budget for 2026/27 for ScotRail and the efficiency initiative proposals and noted the [Redacted] 2026/27.

32. The Board had a detailed discussion on revenue and expenditure and agreed that the income generation and efficiency options for 2026/27 should be developed for further consideration with the exception of proposal numbers eleven, thirteen and fourteen and proposal two, while not supported, may be able to be developed in the course of normal business with additional minor iterations.

33. The final draft budget will be submitted to the ScotRail Board for approval at its meeting on 19 February and thereafter to the SRH Board at its March meeting for approval.

Agenda Item 10: CSL Budget 2026/27

34. The Board considered the draft budget for 2026/27 for CSL. The Board noted that options for revenue growth are being developed in the CSL short and long term growth strategy and this will be submitted to the Board in due course. The final draft budget will be submitted to the SRH Board at its March meeting for approval.

Agenda Item 11: ScotRail 5-10 Year Plan

35. The Board considered the paper which set out a draft five to ten year plan to [Redacted] for ScotRail.

36. The Chief Operating Officer said that the draft plan will be updated for consideration by the ScotRail Board at its meeting in April and asked for SRH Board's view on whether any of the proposals should not be further developed. The Chief Executive said that points raised previously at SRH Board regarding [Redacted] should be included. She said that a shorter timeframe would be needed to address the [Redacted].

37. After discussion, the Board agreed that a two to three year medium term plan was also needed and this should be scenario based making provision for different assumptions, for example, [Redacted] and this should be brought back to the Board in due course.

The ScotRail Managing Director, Chief Operating Officer and Chief Financial Officer, and the SRH Financial Controller and Roz Foyer left the meeting. The Board had a lunch break from 13.40 to 14.05.

Agenda Item 12: CSL Managing Director Update

The CSL Operations Director joined the meeting. The Transport Scotland Director of Rail Delivery left the meeting.

38. The CSL Managing Director gave the Board an update on rail period ten and said that overall performance had been good and there had been some challenges with berth availability due to water issues which are being addressed.

39. The CSL Managing Director gave the Board an update on progress on implementation of the recommendations from the [Redacted] report relating to a previous staff grievance matter. He said that most of the recommendations had been completed with some ongoing in relation to training roll-out. He said that there have been some additional unconnected cases and CSL has instructed an independent review, the outcome from which along with the outcome from the recent employee survey, will formulate a plan to provide assurance that there are no systemic issues in the business.

40. The CSL Operations Director said that the independent report on the risk assessment in relation to coach cracking is now expected by mid to late February. He said that the work involved in this was greater than anticipated and the risk assessment had to be updated to take account of the delays in the [Redacted]. He said that he was developing a fleet plan to finalise the [Redacted]. He said that an independent review in relation to ALARP (as low as reasonably practicable) status was being commissioned and the Board would be advised of the timescale for this.

Agenda Item 13: CSL Locomotive Procurement – ITN

The meeting convened as a joint meeting of SRH Board and CSL Board for this agenda item, the minute of which has been prepared separately.

Agenda Item 14: CSL Draft Business Plan 2026/27

The Transport Scotland Director of Rail Delivery rejoined the meeting at 15.50.

41. The Board considered the draft CSL Business Plan for 2026/27.

42. The CSL Managing Director said that the focus of the business plan is the multi-year service excellence programme which will redefine how CSL delivers hospitality, comfort and reliability across the entire guest journey. He said that 2026/27 will be the enabling year of the multi-year programmme.

43. The CSL Managing Director said that there are some additional key performance indicators and the berth availability KPI would be revised to track availability in service. CSL General Counsel said that the short term market growth initiatives include an initiative to reduce the number of resilience rooms that are not made available for sale on each service. The CSL Managing Director confirmed the number of rooms made available for staff rest, as per an agreement with the trade union. *(post meeting note: for clarity, there is a total of [Redacted] staff rest rooms over all services on a daily basis – [Redacted]. The equivalent is available on the journey going North).*

44. The Board noted that the sustainability and safety KPIs have to be reviewed by SHEC and will be included in the final business plan. The Board agreed that the delivery dates for the business plan commitments need to be refined as most currently show March 2027. The Board also agreed that the short term market growth initiatives should be included in the business plan.

The CSL Managing Director, General Counsel and Operations Director left the meeting at 16.10.

Agenda Item 5: Chief Executive's Report

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

46. [Redacted]

50. The Chief Executive informed the Board that there had been a data breach by the SRH payroll provider where P60s for all staff were sent to a Non-Executive Director in error. General Counsel said that this had been reported to the payroll provider and the SRH Data Protection Officer. [Redacted]. He said that the payroll provider was taking steps to rectify that. [Redacted]. He said that the breach had been assessed by the SRH Data Protection Officer and as there was no risk to individuals as a result of the breach there was no need to report the matter to the Information

Commissioner's Office. The People and Culture Director said that [Redacted] and this should avoid a reoccurrence of the error.

51. The Chief Executive said that the ScotRail Managing Director had used an image produced by artificial intelligence in a recent presentation relating to electric trains and this had been misinterpreted by a journalist as a symbol relating to a fascist organisation. She said that the communications lines on this matter from ScotRail to Transport Scotland [Redacted] and she had discussed this with the Managing Director and reinforced the need for communications lines to always be clear and accurate, and also to be aware of the risks in using AI.

52. The Chair said that the Board agendas need to be led by strategic matters for discussion and asked the Chief Executive to give consideration to this. He said that to ensure best use of Board time, all comments on draft minutes should be sent to the Board Secretary prior to papers issuing for meetings rather than amendments being discussed at Board meetings. The Board asked for more clarity in papers for Board consideration.

Agenda Item 16: SRH Performance and Oversight Plan

53. The Board agreed to consider this paper at a meeting of the Board to be convened within two weeks.

Agenda Item 17: Board Self-Assessment Report

54. The Board agreed to consider this paper at a meeting of the Board to be convened within two weeks.

Mike Bagshaw left the meeting at 17.10.

Agenda Item 18: SRH Bank Mandate Changes

55. The Board approved the bank mandate changes.

Agenda Item 19: SRH Group Finance Report 2025/26

56. The Board noted the SRH Group Finance Report.

Agenda Item 20: Committee Updates

The Chief Executive left the meeting for this agenda item.

57. Brian Baverstock, as Chair of the SRH Remuneration Committee, said that the Scottish Government guidance on pay for Chief Executives was published at the beginning of January 2026 and a meeting of RemCo was held on 12 January to consider the pay award for the Chief Executive. He said that the recommendation from RemCo was that the Chief Executive should receive a pay award of [Redacted]which was in line with the guidance and in line with the pay award agreed for the SRH Executive Directors. The Board agreed with the RemCo recommendation and approved the pay award of [Redacted] backdated to 1 April 2025 for the Chief Executive.

58. [Redacted]

59. [Redacted]

Agenda Item 21: PAG and FROG Updates

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

59. General Counsel said that the Scottish Government's Deputy Director of Procurement would be invited to join the Procurement Assurance Group as an attendee at stage-gates.

Agenda Item 22: Communications Report

60. The Board noted the communications report.

Agenda Item 23: Any Other Business

61. In reference to paragraph 13 above, the Board agreed that Alliance Board minutes and agendas should be made available to all Non-Executive Directors, [Redacted]

Agenda Item 24: Date of Next Meeting

62. The next meeting of the Board will be held on 5 March 2026.