Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 5 March 2026, 09.30 to 17.00

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

Present:	Iain Docherty – Chair (from 09.40) 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 Joanne Maguire – ScotRail Managing Director (for items 7 to 11) Derek Marchant – ScotRail Chief Financial Officer (for items 7 to 11) David Ross – ScotRail Chief Operating Officer (for items 7 to 11) Magnus Conn – ScotRail Fleet Strategy Director (for items 9 and 10) [Redacted] – Head of New Fleet Procurement and Delivery (for items 9 and 10) Graham Kelly – CSL Managing Director (for item 12)* Hugh Anderson – CSL Finance Director (for item 7)* [Redacted] – Audit and Risk Manager (for item 16) [Redacted] – Board Secretary
Apologies:	Graeme Cook –Transport Scotland Director of Rail Delivery

Agenda Item 1: Notice, apologies, and quorum

1. The Chair had been delayed and the Board agreed that Brian Baverstock should chair the meeting until Professor Docherty's arrival. The Chair welcomed everyone to the meeting.

2. The meeting was quorate. Apologies were noted.

Agenda item 2: Declarations of interests and conflicts of interest

3. There were no declarations of interest.

4. Roz Foyer said that she had been approached by some rail industry suppliers and while this was not a declaration of interest she asked for this to be recorded and would send details to the Board Secretary.

Agenda Item 3: Minutes of Previous Meetings

5. The Board approved the minutes of the meeting held on 5 February 2026 subject to amendment at paragraph 61 to record that there was an outstanding action to [Redacted].

6. The Board approved the minutes of the joint meeting of the SRH and CSL Boards held on 5 February 2026.

Agenda Item 4: Actions and Matters Arising

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

8. In relation to action 93/2025, clarify tax position for non-executive director expenses, the Chief Executive said that the tax advice had been received and this would be sent to non-executive directors, and the position had also been clarified with HMRC at their audit meeting with the SRH Finance Team on 4 March 2026. The Board agreed to close this action. [Redacted].

9. In relation to action 01/2026, Carolyn Griffiths said that she was awaiting a response from [Redacted]. The Chief Executive said that she had followed up with Network Rail for associated documentation. The Board agreed to close this action and move to the Board planner for follow up.

10. In relation to action 02/2026, the amendments to the terms of reference for the Board and to the scheme of delegation had been approved by the Board by correspondence and General Counsel will submit these to Transport Scotland for approval. The Board agreed to close this action.

11. The Board agreed to close actions 5/2026, as this had been moved to the Board planner, and 8/2026, as this had been completed.

Professor Docherty took over as Chair from 09.40

Agenda Item 5: Chief Executive's Report

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

13. The Chief Executive informed the Board of progress on Alliance matters including:

- An 18 to 24 month Board planner will be submitted to the next meeting of the Alliance Board on 23 March and this will be shared with the SRH Board;

[Redacted]

15. After discussion the Board agreed:

- The Chair would document a note of his recent conversations with the Transport Scotland Chief Executive and the Network Rail Chief Executive and share this with the Board;
- [Redacted] and
- A special meeting of the Board will be convened for week beginning 9 March to discuss the above.

2025/26 Business Plan Progress Update

16. The Board considered the progress update on the 2025/26 business plan commitments. The Chief Executive said that there is a requirement in the Framework Agreement to provide a detailed report on achievement of prior year business plan commitments in the updated strategic plan and also to provide a detailed report in the annual report and accounts. She said that she had discussed with Transport Scotland for such reporting to be in one place rather than in two separate documents.

Agenda Item 6: SRH Strategic Plan 2026/2031 and Business Plan 2026/27

17. The Board considered the draft strategic plan for 2026 to 2031, which had also been sent by email to the Board a few weeks ago, and the draft business plan for 2026 to 2027. The Chief Executive said that she had received feedback from Transport Scotland and asked the Board to send comments to her as soon as possible. She said that she would incorporate comments received and send revised versions to the Board for discussion and approval at the special

meeting of the Board to be held week beginning 9 March. She said that the strategic plan and business plans will be submitted to the meeting of the Strategic Rail Board on 24 March for approval.

Agenda Item 7: SRH Group Budget 2026/27 Update

The ScotRail Managing Director, Chief Operating Officer and Chief Financial Officer and the CSL Finance Director joined the meeting at 11.00

18. The Board considered the draft SRH Group budget for 2026/27. The Chair said that the SRH Group will be [Redacted] and Board Members should make themselves familiar with the Scottish Fiscal Commission's work on the budget outlook.

19. The Finance Director informed the Board that:

- [Redacted]
- Discussions were ongoing with Transport Scotland regarding funding for the impact of the fares freeze;
- There is also RDEL and CDEL pressure in the outer years;
- A letter of comfort has been received from Transport Scotland regarding the [Redacted]; and
- Long term planning discussions have taken place with SRH, ScotRail and CSL for longer term financial stability but there are no additional options to [Redacted] for 2026/27.

20. The ScotRail Chief Financial Officer said that there will also be an impact from the current situation in the Middle East which will increase fuel costs and the 2026/27 full budget will be submitted to the ScotRail Board for approval at its meeting on 19 March 2026. [Redacted]

21. Brian Baverstock said that multi-year budgeting and planning is needed. He said that balancing a budget with a [Redacted] funding envelope requires structural change.

22. The Chief Executive said that there will be [Redacted] position for 2026/27 and alongside the letter of comfort from Transport Scotland, she has asked ScotRail to prepare a paper on [Redacted] that can be put in place to enhance the current systems, noting that levels of delegated financial authority are already at a low level. She said that a meeting has been set for 30 March 2026 for the Board and ScotRail Board to consider the long term five to ten year efficiency options in depth.

23. The 2026/27 budget will be submitted to the SRH Board for approval at its meeting on 30 March 2026. The budget submission for approval should provide assurance for the Board that all that can be done has been done [Redacted] for 2026/27.

The CSL Finance Director left the meeting at 11.40

Agenda Item 8: ScotRail Managing Director Update

24. The ScotRail Managing Director said that she would send her update note to the Board and she highlighted the following:

- While period 10 had strong growth and increased passenger numbers over the Christmas period, revenue decreased in period 11 which has also been the case with other train operating companies;
- ScotRail continues to drive revenue through marketing activity and robust revenue collection with 1,000 exercises being taken across the country;
- Ticketless travel has decreased by 18percent from the same period in 2024/25;
- The combination of tickets sold via the app or web and paper barcode tickets was more than 70percent for the first time, which is significant as the scanning of the barcode at gateline or on the train allows the Commercial Team to access an increased amount of data relating to travel patterns etc, to inform future initiatives;
- Performance was the best period 11 in eight years and STPM was 0.5percent ahead of target; and

- Cancellations were down 11.7percent from the previous period as there were no adverse weather issues and infrastructure performance was good.

Agenda Item 9: Intercity Contract Award Recommendations and Agenda Item 10: Fleet Lease Extensions

The meeting convened as a joint meeting of SRH Board and ScotRail Board, from 11.45 to 13.10, for agenda items 9 and 10, the minute of which has been prepared separately.

Agenda Item 11: ScotRail Business Cases

[Redacted]

27. The Board approved the authority to spend.

Small value assets

28. The Board considered the business case to move small value capital assets, between the value of £1,000 and £20,000, from RDEL to CDEL.

29. Brian Baverstock said that this matter should have been raised at the recent Audit and Risk Committee (ARC) meeting as it was a change in accounting policy regarding the threshold for capitalisation. The ScotRail Chief Financial Officer said that the business case was still in development when the papers were submitted for the last ARC meeting and accounting policies would be presented as part of the ARC's review of annual financial statements. The ScotRail Managing Director said that this business case has been categorised as an efficiency, but it was a process change in the handling of capital.

30. After discussion the Board did not approve authority to spend and asked the SRH Finance Director to speak to Audit Scotland for their view on whether they are content with this policy change and that this proposal is compliant with accounting standards.

The ScotRail Managing Director, Chief Operating Officer and Chief Financial Officer left the meeting at 13.35. The Board had a lunch break from 13.35 to 14.00

Agenda Item 12: CSL Managing Director Update

The CSL Managing Director joined the meeting at 14.00

31. The CSL Managing Director gave the Board an update on period 11, including:

- The launch of the new service at Birmingham International continues to be successful, data collection is ongoing and will be reported in full later in the year;
- The first employee engagement survey has been completed with a 67percent uptake rate, outcomes from the survey will be reported to the CSL Board in due course and action will be taken to encourage an increase in participation for future surveys;
- Employee engagement surveys will be conducted annually with separate pulse surveys on specific topics undertaken;
- The vast majority of coaches will be fitted with the [Redacted] by the end of March and the remainder will be fitted in the shortest time available;
- [Redacted]
- Operational performance had challenges due to the winter weather conditions in the North and affected the Aberdeen line and the Inverness service;
- Guest satisfaction had increased from period 10 and work continues to address the water issues; and
- Based on guest feedback, a new Spring/Summer menu will be introduced in the near future.

32. In relation to [Redacted], the CSL Managing Director said that work is ongoing to confirm this at the same time as the work on the [Redacted] is being progressed.

33. The CSL Managing Director confirmed that CSL was undertaking quarterly reviews of data to ascertain if there is any correlation between the number of guest complaints received and right time boarding delays.

The CSL Managing Director left the meeting at 14.25. Mike Bagshaw left the meeting at 14.25. The Board agreed to take items out of line with the agenda.

Agenda Item 14: Accessible and Inclusive Travel Strategy

34. The Board considered the draft accessibility and inclusion strategy for customers and staff.

35. After discussion the Board agreed that the strategy should include:

- Details of the wider position on the accessibility and inclusion work being undertaken by ScotRail, CSL and Network Rail;
- The role of SRH on advocacy and oversight to ensure best practice;
- Financial issues relating to investment and priorities; and
- Risks to the achievement of objectives.

36. The Board agreed that the revised strategy should be brought back to the Board in three months.

Agenda Item 15: Board Self-assessment Report – Proposed Action Plan

37. The Board considered the note of all comments received from the Board self-assessment exercise and the proposed list of actions.

38. The Chief Executive said that a clear outcome from the self-assessment was for the Board to strengthen its role in the strategic development of the SRH Group and to build on its engagement with key stakeholders. She said that she would be submitting a paper to the meeting of the Board on 2 April which would make suggestions to address these issues and to build time into the Board meeting schedule for strategic discussion.

39. The Board agreed that any additional comments on the proposed actions should be sent to the Chief Executive. Progress with addressing the actions will be considered by the Audit and Risk Committee and will inform the criteria for the next Board self-assessment to be discussed by the Board in December 2026 and undertaken in March 2027.

Mike Bagshaw rejoined the meeting at 15.30 and Roz Foyer left the meeting at 15.30

Agenda Item 13: SRH Performance and Oversight Plan

40. The Board considered the draft performance oversight plan and the proposed SRH KPIs for ScotRail and CSL. The Board noted that ScotRail performs well when benchmarking with other train operating companies and also noted that the comparisons must consider the strength of similar operations.

41. After discussion, the Board approved the performance oversight plan, subject to safety KPIs being agreed, and agreed that:

- T3 performance measure should be reported to the Board;
- Performance including reliability and availability, shortforms and cancellations should be reported by line of route and by fleet type;
- Missed target and negative trending of level 1, 2 and 3 KPIs should be reported to the Board with a note of SRH mitigating actions taken/to be taken;
- The Rail Business Director will ascertain ScotRail membership/attendance on the Network Performance Board;

- Planning and performance should be aligned;
- The revised performance report should be submitted to the next meeting of the Board on 2 April;
- Level two and three KPI data should be provided as supplementary reporting and made available for the Board;
- Lower level data would be referred to as necessary for explanation of the above; and
- The Board should receive actual trending graphs not just MAAs.

Agenda Item 16: Risk Management Update

The Audit and Risk Manager joined the meeting at 16.25

42. The Board considered the risk management update report and the strategic risk register, as considered by the Audit and Risk Committee at its meeting on 16 February 2026.

43. The Audit and Risk Manager highlighted the risks that are above tolerance suggested by the risk appetite statement. He said that the risk register would be revised in light of the revised strategic plan and the 2026/27 business plan once these are approved. Carolyn Griffiths said that any risks above tolerance should be brought to the Board's attention along with timed retrieval plans.

44. In relation to the risk of cyber threat, General Counsel said that progress has been made in mitigating actions and alignment with ScotRail systems. He said that the outcomes from the current internal audit review of ScotRail's IT security will be relevant to SRH as SRH utilises ScotRail IT systems. He said that work is ongoing on key documents for SRH which will be based on ScotRail's documents and he is progressing provision of external support, in the event of a cyber attack, through Scottish Government procurement. The Chief Executive said that she has asked for cyber benchmarking information from the Transport Chief Executives Group.

45. The Board agreed that General Counsel should discuss with the ScotRail Head of IT the information and type of reporting that should be submitted to the Board to give assurance in relation to the risk of cyber threat.

46. In relation to the risk regarding assurance on the adequacy and effectiveness of health and safety, the Audit and Risk Manager said that SRH has not set out what its requirements are. [Redacted]. She said that she would, as Chair of the Safety, Health and Environment Committees, discuss with the subsidiary Managing Directors what further reports they might routinely make to the SRH Board to give further assurance in relation to health and safety.

47. Brian Baverstock said that the Board should receive high level assurance on all risks.

The Rail Business Director left the meeting at 16.45. The Audit and Risk Manager left the meeting at 16.50

Agenda Item 17: SRH Group Finance Report 2025/26

48. The Board considered the 2025/26 group finance report. The Finance Director said that an updated budget allocation and monitoring letter had been received from Transport Scotland which allocated an additional [Redacted] in RDEL funding for 2025/26. He said that this will result in an estimated outturn for the year of [Redacted].

Agenda Item 18: Committee Updates

49. The Board considered the draft minutes of the Audit and Risk Committee meeting held on 16 February 2026.

Agenda Item 19: Register of Interests

50. The Board reviewed the register of interests. The Chair asked for any updates to be sent to the Board Secretary as soon as possible.

Agenda Item 20: Updates PAG and FROG

51. The Board noted the PAG and FROG update report.

Agenda Item 21: Communications Report

52. The Board noted the Communications report.

Agenda Item 22: Any Other Business

53. The Board noted the Scottish Ministers decision to give Scottish Government staff an additional public holiday on 15 June 2026, consideration of which should also be given to SRH Group staff. The Board noted the notional costs for this.

54. The Chief Executive said that Non-Executive Directors should now be able to download payslips from the pay provider system and she would arrange for the instructions for this to be sent by email.

Agenda Item 23: Date of Next Meeting

55. Special meetings of the Board will be held on 12 March 16.00 to 17.30 and 30 March 2026 10.00 to 13.00. The next regular meeting of the Board will be held on 2 April 2026.