

Minutes of Meeting

Scottish Rail Holdings Limited – Board Meeting

Thursday 11 June 2026, 09.30 to 17.10

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

- Present:**
- Brian Baverstock – Deputising for Chair
 - Hannah Ross – Chief Executive
 - 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:**
- Amanda MacLellan – People and Culture Director
 - Magnus Conn – Fleet Programme Director
 - Joanne Maguire – ScotRail Managing Director (for items 7 to 10)
 - Derek Marchant – ScotRail Chief Financial Officer (for items 7 to 10)
 - Colette Ricketts – ScotRail Strategy and Planning Director (for item 9)
 - Graham Kelly – CSL Managing Director (for items 12 to 15)*
 - Hugh Anderson – CSL Finance Director (for items 12 to 15)*
 - Sam Price – CSL General Counsel (for items 12 and 13)*
 - [Redacted] – Audit and Risk Manager (for item 19)
 - [Redacted] – Board Secretary
- Apologies:**
- Professor Iain Docherty - Chair
 - Matthew Spence – Director Strategy and Investment
 - Graeme Cook –Transport Scotland Director of Rail Delivery

Agenda Item 1: Notice, apologies, and quorum

1. 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. Declarations of interest were noted under relevant agenda items.

Agenda Item 3: Minutes of Previous Meetings

4. The Board approved the minutes of the SRH Board meetings held on 30 April 2026, subject to minor amendment at paragraphs 52, 56, 58 and 67; 1 May 2026 subject to minor amendment at paragraph 6; and 18 May 2026.

Agenda Item 4: Actions and Matters Arising

5. The Board considered the list of actions from previous meetings.
6. In relation to action 82/2025, draft terms of reference for Committees, the Board noted that this would be discussed later in the meeting and agreed to close this action.
7. In relation to action 3/2026, update to Framework Agreement regarding appointment of subsidiary Board Managing Directors, the Board noted that the Chief Executive and General Counsel met the Transport Scotland Director of Rail

Delivery on 1 May 2026 to discuss governance and changes to the Framework Agreement and Grant Agreements. Work on this is ongoing through the SRH Executive and the outcomes will be reported to the Board in due course. The Board agreed to close this action.

8. In relation to action 6/2026, confirm members of intercity delivery oversight group, the Board noted that the Fleet Procurement Director took up post on 1 June 2026 and will submit a paper on this to the Board at its meeting on 18 June 2026 that will make proposals. The Board agreed to close this action.

9. In relation to action 9/2026, resolve issue of reimbursement of actual cost of expenses for a non-executive director, the Finance Director said that he had found a way to resolve this matter. The Board agreed to close this action. (Post meeting note: the resolution of this matter is detailed in an email from the Finance Director dated 22 June 2026).

10. In relation to action 15/2026, assurance for SRH Board on cyber security, General Counsel said that he has discussed this with the ScotRail Head of IT and assurance will be provided through the IT support service level agreement between SRH and ScotRail, through Department for Transport audit process and cyber certification audits for ScotRail, through the internal audit function and various external processes. The Board noted that the internal audit review had recommended that a lead SRH non-executive director (NXD) for cyber should be put in place. The Chair said that responsibility lies collectively with the Board rather than having one NXD responsible for a particular subject matter. After discussion the Board agreed that responsibility should remain with the Board and proposals for a lead NXD, if required, should be fully explored and a paper presented for the Board's consideration. The Board agreed to close this action.

11. In relation to action 16/2026, assurance for SRH Board on health and safety, the Board noted that this originated from the SRH risk register identification of a lack of resource in SRH for health and safety oversight. Carolyn Griffiths said that the Board should also have oversight by way of reporting by the Managing Directors in the same way as other performance matters such as finance are reported. The Chief Executive said that the risk on the risk register reflected an organisational risk not a safety risk, and she reported that the risk scoring on this had reduced given the work being taken forward by the Rail Business Directorate. The Board noted that additional information to give assurance to the Board had been included in the performance report and would be discussed later on the agenda. The Board agreed to close this action.

12. In relation to action 23/2026, resource requirements for all new fleet projects, the Board noted that a paper on this will be submitted to the Board at its meeting on 27 August 2026.

13. In relation to action 32/2026, prioritising SRH workload with available resources, the Chief Executive said that the Executive Team is considering resourcing and a paper will be submitted to the Board in due course.

14. In relation to action 34/2026, medium term financial planning, the Board noted that this action had been transferred from the SRH Audit and Risk Committee actions. The Finance Director said that work had progressed on this and a medium term outline plan is detailed in the finance report for the Board. He said that he was content that work is progressing effectively on medium term financial planning, and this will inform the Board planner. The Board agreed to close this action.

15. The Board agreed to close actions 74/2025, 82/2025, 22, 25, 26, 30, 31 and 33/2026, as these had been moved to the Board planner, were on the agenda or had been completed.

Agenda Item 5: Chief Executive's Report

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

17. [Redacted]

18. The Chief Executive said that she had attended a meeting on 8 June on public service reform called by the First Minister and attended by Scottish public body leaders. Roz Foyer had also attended this event in her role as General

Secretary of the Scottish Trades Union Congress. The Chief Executive said that the key message from the First Minister included:

- Public service reform has to be delivered at pace;
- There must be cohort working to deliver services;
- Public bodies need to collaborate to deliver services more efficiently and be more outcome based; and
- Scottish Government will fund services not structures.

19. Roz Foyer said that the Scottish Government is facing a £4.7 billion budget gap that has to be bridged over the next five years.

20. The Chief Executive said that the message from the First Minister was generic and she has started to progress the position for the SRH Group through initial discussions with the Transport Scotland Director of Rail Delivery. She said that she will also be attending a public service reform transport leadership group meeting on 22 June. She said that she will continue these discussions for Transport Scotland direction, as SRH's sponsor, and report to the Board for discussion of next steps.

21. The Chief Executive said that the ScotRail revenue position has been positive in the first two periods of the reporting year. The Finance Director said that the additional work that is being undertaken on line of route analysis will provide better insight into trends relating to customers, revenue and forecasting.

22. The Chief Executive said that she had written to Transport Scotland, as requested at the last meeting of the Board, regarding Transport Scotland engagement with SRH in relation to rail reform. She said that this matter is on the agenda for discussion at the Strategic Rail Board meeting on 30 June.

23. The Chief Executive said that she had attended a round table dinner with Ernest Young where talks were given on geopolitical risk. She said that she would circulate follow-up information that she had received.

24. The Chief Executive asked the Board to note a point of clarity in relation to CSL's [Redacted].

25. Carolyn Griffiths said that SHEC is looking at risk imported by suppliers which includes Network Rail as a supplier and whole system risk should be on the agenda for the Alliance. Mike Bagshaw said that a paper on ScotRail joining Network Rail on the MySafety system was considered at the Alliance Board meeting on 9 June and this system promotes a joined safety culture and leadership which encapsulates all system risks. Carolyn Griffiths requested that the SRH Board formally asks the Alliance Board how the Alliance will look at whole system risks. The Board agreed that Alliance should be a standing item on the agenda for the SRH Board.

Agenda Item 6: 2026/2031 Strategic Plan and 2026/2027 Business Plan and Delivery Plan

26. The 2026/2031 Strategic Plan and the 2026/27 Business Plan were approved by the Board at its meeting on 2 April 2026 subject to additional comments to be discussed by the Chief Executive and Carolyn Griffiths. The Chief Executive said that those comments had now been received and she was content with them. She said that the development of the structure of SRH in light of strengthening the Alliance and rail reform is being taken forward through business plan objectives relating to the governance review, close working with Transport Scotland and the impact for staff. The Board reapproved the plans subject to seeing the tracked changes showing amendments from the version of the plans approved on 2 April and these should be sent to the Board by email.

27. The Board noted the 2026/27 delivery plan for the business plan objectives.

Timetable for 2027/28 Business plan

28. The Chief Executive said that work was ongoing with the executive teams and Managing Directors to bring together the budget and business planning cycle in line with the timescales required under the Framework Agreement. She said that the five year strategy will be updated in August to have one single strategy covering the SRH Group including the Alliance which will then set the strategic direction and allow the subsidiary companies to develop their 2027/28 business plans based on that strategy. Budgets for 2027/28 would be looked at in September and the strategy for 2028/29 would start in January 2027. The Chief Executive said that this timetable provides a more mature and less reactive approach to budget and business planning.

29. Carolyn Griffiths said that strategic sessions for the Board engagement need to be built into the schedule. The Board noted that two strategic sessions had already been held for the Board on 8 January and 1 May [Redacted]. The Chief Executive said that working with Transport Scotland, the Executive Team is giving thought to this and time will be built into the Board agendas to discuss strategic options. Roz Foyer said that it would be beneficial for the Board's discussion to get the pre-work from the Executive and Transport Scotland's overview. The Chair noted that demands on Executive time also need to be addressed in parallel with the development of the strategic plan.

Agenda Item 7: ScotRail Managing Director Update

The ScotRail Managing Director and Chief Financial Officer joined the meeting at 10.50.

30. The ScotRail Managing Director gave the Board an update including the following:

- Revenue has been above budget in periods 1 and 2;
- [Redacted]
- [Redacted]
- ScotRail launched its newly designed and registered tartan to enhance brand perception and support for the major sporting events with Scotland in the World Cup and the Commonwealth Games coming to Glasgow;
- The period has seen the second highest ever positive media sentiment in over 10 years;
- While nine out of ten ScotRail trains arrive on time, STPM was slightly below target at 91.1 percent due to several infrastructure incidents;
- ScotRail and Network Rail are looking at the measures and impact of delays per incident and the volume of passengers impacted;
- Thresholds for SPADS, station overruns and stop shorts were exceeded in the period, actions to mitigate these are being taken and deep dive reviews and robust investigation will continue; and
- Transport Focus survey reported ScotRail achieving 93 percent customer satisfaction and 92 percent satisfaction with personal safety.

31. In relation to the number of SPADS being above threshold the Managing Director said that 50 percent of these related to empty coach stock moves and the teams are focused on working to reduce these. She said that work was being undertaken on the causal factors and this will be reviewed by SHEC.

32. In relation to the increased number of staff assaults, the Managing Director said that body worn cameras are now a mandatory part of staff kit and are available for all frontline staff. She said that it is not mandatory for staff to use the cameras, but the benefits of use are promoted with staff along with the message that recordings will assist in prosecutions. She said that the travel safe team numbers have been increased and delivering schedule 17 provides more staff visibility which will help to reduce the number of staff assaults. SHEC had asked for assurance that ScotRail is doing all things perceived to be best practice in the industry to reduce the risk of staff assault.

33. The Finance Director said that the line of route analysis is helpful in pinpointing areas of revenue growth and asked if there was any insight into the reasons for the variances in volume on the East Kilbride route against budget. The Managing Director said that there is no simple answer but there is a high availability of car parking around the stations on that route. She said that her team will be reviewing this.

34. The Chief Executive said that revenue results will [Redacted]. She said that this will be discussed at the next meeting of the Strategic Rail Board and asked if there was more that could be done over and above the [Redacted].

35. The Managing Director said that proposals will be developed over the Summer for initiatives to [Redacted] and these will be presented to the Boards in September for discussion. She said that there may also be a need for additional short term resource to assist in looking at possible additional spend to save initiatives. She said that a report on progress with the efficiency initiatives agreed at the Board meeting on 30 March 2026 will be presented to ScotRail Board at its meeting on 18 June 2026.

Agenda Item 8: ScotRail Staff Accommodation Capital Business Case and Agenda Item 9: Fleet Lease Extensions

The meeting convened as a joint meeting of SRH Board and ScotRail Board for agenda items 8 and 9, the minute of which has been prepared separately.

Agenda Item 10: ScotRail Capital Investment Report

36. The Board considered the ScotRail 2025/26 period 13 capital project report. The ScotRail Chief Financial Officer said that the report is provided as part of the capital process and the ScotRail report is still evolving. He said that there had been no slippage in capital projects in 2026/2027 rail period one.

The ScotRail Managing Director and Chief Financial Officer left the meeting at 12.25

Agenda Item 11: Briefing Note on Health and Safety and Approval Route for SHEC Terms of Reference

37. The Board considered the briefing note from General Counsel on health and safety responsibilities.

38. General Counsel said that the role of the Board is to obtain assurance on health and safety matters and not be involved in the operational detail. He said that the outstanding question was whether the Board should approve the terms of reference for SHEC given the terms of the Articles of Association of the subsidiary companies which require parent (ie SRH) approval of any power delegated to a Committee of the Board.

39. Carolyn Griffiths said that there are no powers delegated to SHEC as SHEC is an advisory Committee and does not make decisions. She said that SHEC advises the subsidiary Boards on matters pertaining to the Boards discharging their health and safety duties. She proposed that it was consistent with the SRH Articles of Association that SRH Board should agree the purpose of SHEC but not the details of the terms of reference as those were concerning delivery matters and should be agreed by the subsidiary Boards.

40. After discussion, in which it was noted that the SHECs as currently constituted are advisory in nature rather than having decision making powers, the Board agreed that SRH (as the parent of the subsidiary companies and as per their Articles of Association), should approve the creation of SHEC and its membership. It was further noted that the Terms of Reference for each SHEC would be a matter for the relevant subsidiary board to approve, save that if decision making powers were proposed for the committee that delegated authority would require parent company (i.e. SRH Board) approval.

The Board had a lunch break from 12.45 to 13.15

The CSL Managing Director, Finance Director and General Counsel joined the meeting at 13.15

Agenda Item 12: CSL Rest Day Working

The meeting convened as a joint meeting of SRH Board and CSL Board for agenda item 12, the minute of which has been prepared separately.

Agenda Item 13: CSL Managing Director Update

41. The CSL Managing Director gave the Board an update including the following:

- A new KPI has been added for catering resilience which will cover staffing and equipment, including lounge stock levels;
- There has been a downward trend in operational performance primarily driven by external factors including Network Rail related disruption and more recently GBRf issues. An action plan for recovery is being developed and will be considered by CSL Board at its meeting on 19 June 2026; and
- Lost time staff incidents have been discussed at SHEC and additional education on situational awareness is being undertaken for staff.

42. In relation to the recent incident at Carstairs where a GBRf member of staff sustained injury, the Managing Director said that the investigation report is being finalised [Redacted]. He said that an update on the actions from that report will be submitted to the CSL Board. The Board noted that the Office of Rail and Road and the Rail Accident Investigation Branch are also investigating the incident. SHEC is also considering the matter and has asked for review of the initial 72 hour investigation process and the final report.

43. In relation to 'time to three' performance, Mike Bagshaw said that CSL is showing the biggest deterioration in the industry. He said that if the causal factors of this relate to infrastructure issues then the statistics should be used as leverage with Network Rail for action to improve CSL's performance. CSL General Counsel said that the data doesn't group operators of comparable type. He said that CSL was achieving comparable performance with other long distance operators and CSL provides the smallest number of services to any other operators in the performance tables. The Managing Director said that the action plan being put in place with Network Rail should address these areas of performance and he will monitor this and escalate to the Boards if necessary.

44. [Redacted]

Agenda Item 14: Ratification of Decisions Taken by CSL Board

Capital Business Case – [Redacted]

45. The Board noted that this business case was for investment in [Redacted]. The Board noted that the business case had been approved by the Capital Investment Panel on 6 May 2026 and approved by the CSL Board at its meeting on 22 May 2026.

46. After discussion the Board approved the authority to spend for the business case.

CSL Strategy Compliance Director

CSL General Counsel left the meeting.

47. SRH General Counsel declared an interest under this item regarding the read across from the CSL General Counsel role and proposed remuneration package to the SRH General Counsel role. The Board noted the declaration of interest and agreed that SRH General Counsel could remain in the meeting but take no part in the discussion.

48. The Board considered the paper on the redesign of the CSL General Counsel role. The Board noted that the SRH Group Remuneration Committee had recommended approval of this paper to the CSL Board and the CSL Board had approved the recommendation of the Committee at its meeting on 22 May 2026.

49. The Board noted that the role would still provide general counsel services for CSL and had also taken on additional strategic development work and complex contract negotiation. The Board noted that the Remuneration Committee had considered the proposal against the salary of the other CSL executive directors and the desire for CSL to bring pay and benefits more in line with public sector pay with no [Redacted].

50. The Board agreed with the decision of CSL Board and approved the recommendation for the redesign of the CSL General Counsel role and noted that, as required under the Articles of Association, Transport Scotland approval would be required.

Agenda Item 15: CSL Capital Investment Report

51. The Board considered the 2026/27 period one CSL capital investment report.

52. The CSL Managing Director said that options for lounge facilities at Glasgow were still being considered and the likelihood would be [Redacted]. He said that options will be discussed by the CSL Board.

The CSL Managing Director and Finance Director left the meeting at 14.30.

Agenda Item 17: Policy Approvals

53. The Board considered and approved:

- The revised External Complaints Handling Policy, as amended to cater for data protection complaints procedure under the Data Use and Access Act 2025;
- The internal procedure for dealing with data protection complaints;
- The counter fraud policy as recommended for approval by the Audit and Risk Committee at its meeting on 16 February 2026; and
- The SRH Group Tax Strategy 2026/2027 as recommended for approval by the Audit and Risk Committee at its meeting on 10 June 2026.

Agenda Item 18: Audit Plans

Audit Scotland External Audit Plan

54. The Board considered the draft audit plan received from Audit Scotland for the 2025/2026 audit. This had been considered by the Audit and Risk Committee at its meeting on 10 June 2026.

55. The Finance Director said a key change for the 2025/2026 external audits was that the subsidiary companies are now under the authority of the Auditor General for Scotland and Audit Scotland will conduct the audits across the SRH Group. He said that this is welcomed as it will provide a consistent approach to the Government Financial Reporting Manual (FReM) reporting across the Group.

56. The Chief Executive said that the Audit Scotland work is valuable and will help to mature the SRH Group. She said that there may be some apprehension within the subsidiary companies regarding the move to Audit Scotland as the external auditors, and the SRH Executive Team is aware of this and will monitor and continue to promote the value to be derived for public bodies from Audit Scotland.

57. The Chair said that the Audit Scotland's proposed fees for the 2025/26 audits had been discussed at the Audit and Risk Committee meeting on 10 June 2026 and he would be writing to Audit Scotland in this regard. He said that Audit Scotland's work is high quality and focuses on continuous improvement which is key for public bodies under the Best Value principles.

Internal Audit Plan 2026/2027

58. The Board considered the proposed internal audit plan for SRH for 2026/2027. The Audit and Risk Committee had considered this at its meeting on 10 June 2026 and recommended it to the Board for approval.

59. The Chair said that the Audit and Risk Committee had considered the strategic internal audit plans for 2026/2027 for subsidiary companies also, which would be presented to the respective Boards, and the internal audit function should work towards an integrated strategic internal audit plan for the SRH Group.

60. Carolyn Griffiths said that the group internal auditors, Azets, had undertaken an audit of ScotRail Health and Safety and this was discussed at SHEC where it was noted the audit gave no added insights. [Redacted]. She said that she noted from the audit plan that health and safety for SRH would be audited in 2027/2028 [Redacted].

61. General Counsel said that there had been feedback on the ScotRail health and safety audit discussed at SHEC but this audit related to oversight and monitoring rather than a technical safety audit. [Redacted] and the internal audit report provides necessary visibility of this to ensure that the issues raised are addressed. (Post meeting note: further discussion on this is noted in the minutes of the SRH Board meeting on 27 August 2026).

62. The Chair said that the ScotRail Health and Safety Audit scope had been agreed with ScotRail and the report had been well received in discussion at the Audit and Risk Committee meeting and all of the recommendations for action had been accepted by ScotRail management. He said that the point raised regarding the SRH health and safety audit would be considered as part of the 2027/2028 internal audit planning.

63. The Board approved the internal audit plan for SRH for 2026/2027.

Agenda Item 19: Risk Management

The Audit and Risk Manager joined the meeting at 15.00

64. The Board considered the consolidated SRH Group risk management report that had been considered by the Audit and Risk Committee at its meeting on 10 June 2026. The Board noted that this was the first iteration of the risk report across all three SRH Group entities and this will continue to be developed.

65. The Audit and Risk Manager said that the Group risk profile remains broadly unchanged from previous reporting and where risks are above the indicative risk appetite, management continues to progress additional mitigations to drive residual risk scores to an acceptable level. He said that key challenges remain around short and longer term [Redacted] consistent with current and likely future funding from Transport Scotland. He said that an emerging risk is the [Redacted].

66. Carolyn Griffiths referred to the risk of ineffective relationships with key partners impacting on SRH's ability to deliver key outcomes and questioned why this was scored as within tolerance when there is so much potential change that SRH has no effective influence on. The Chief Executive said that the scoring reflects post mitigation and there is a lot of mitigating work being undertaken with the SRH Executive and counterparts in the subsidiary companies and Transport Scotland.

67. Carolyn Griffiths referred to the risk that SRH may have insufficient capacity of non-executive directors and said that in her view there is no plan in place for this so this risk should not be scored as within tolerance.

68. Carolyn Griffiths referred to the risk that SRH may be exposed by not having expected corporate governance arrangements in place and said that this should not be scored as within tolerance. The Audit and Risk Manager said that this risk is within tolerable limits as it relates to internal governance arrangements and compliance with the Scottish Public Finance Manual.

69. Carolyn Griffiths referred to the risk that SRH may fail to deliver Scottish Government priorities in relation to contributing to economic growth and said that this should not be within tolerable levels as this has not been demonstrated. The Chief Executive said that that this risk has been mitigated within tolerance levels as both ScotRail and CSL have provided reports to their respective Boards on their economic impact to Scotland.

70. Carolyn Griffiths expressed her concern about the length of time taken for ScotRail to get its disaggregated safety risk register documented and then the delay in getting scoring and mitigating actions in place. She confirmed that her concern was that the mitigating actions were not being documented rather than not being undertaken. The Audit and Risk Manager said that this is something that should have been on the departmental risk register and could have been escalated to the Audit and Risk Committee. Carolyn Griffiths asked if the delay in safety risk disaggregation was replicated through other areas of the business. The Audit and Risk Manager said that there were no other areas of concern.

Proposed Change to Risk Appetite Statement

71. The Board considered and approved the proposed change to the risk appetite statement noting that this was a wording change rather than a change to the Board's agreed risk appetite.

The Audit and Risk Manager left the meeting at 15.30

Agenda Item 20: Performance Report

72. The Board considered the period one performance report and noted the following:

- Overall ScotRail performance against Grant Agreement targets is good;
- CSL's operational performance is on a downward trend;
- CSL's performance on time to three is the lowest in the industry but CSL performs well on right time boarding;
- CSL does not have a dedicated performance team;
- CSL's action plan with Network Rail and GBf should help to address performance issues;
- [Redacted]
- SRH and ORR are working together on the oversight of the implementation of the outcomes from the root and branch review;
- There are many performance improvement initiatives in place for ScotRail and Network Rail, and a project management office is being established with senior management resource to manage these in the one place;
- The number of incidents affecting ScotRail performance are decreasing but ScotRail's time to recover is increasing and this should be looked at in the next period; and
- Delays per incident are being looked by SRH.

Agenda Item 21: SRH Group Finance Report 2026/2027

73. The Board considered the finance report.

74. The Finance Director said that ScotRail revenue in the period was above target and CSL was below target although there was mitigation of this for CSL through compensation payments received. He said that a lot of work has been undertaken on medium term financial planning and the subsidiary companies have looked at base assumptions and scenario planning and proposed budgets will be presented to the Board in September. He said that he remains concerned about [Redacted] and suggested that a small project team workstream may be needed to improve financial sustainability. He said that there is a high risk in relation to fuel price increases and ScotRail has no mitigations in place for this.

75. After discussion the Board noted that the medium term financial planning will review ORCATS and reliability on compensation payments. The Board asked the Finance Director to provide a short briefing for the Board at its meeting on 18 June 2026 on the fuel risk position and on supporting ScotRail to ensure [Redacted].

Agenda Item 22: PAG/FROG etc Fleet Programme Update

76. The Board considered the fleet programme update.

77. The Fleet Programme Director said that work is ongoing with Network Rail to develop business case led and programme level reporting. He said that a paper will be presented to the Board at its meeting on 27 August 2026 setting out the current position and a roadmap of what needs to be done across the full fleet programme. He said that a paper will be considered by the Board at its meeting on 18 June 2026 on the Intercity Delivery Oversight Group.

Agenda Item 23: Legal Horizon Scanning

78. The Board considered the paper setting out information on emerging legal risk topics identified by General Counsel as part of his legal horizon scanning. The Board noted that going forward such risks will be covered as business as usual work and relevant risks captured in directorate and strategic risk registers as appropriate, with escalation to the Audit and Risk Committee and/or Board consistent with normal risk reporting procedures.

Agenda Item 24: Committee Updates

79. The Chair said that the topics discussed at the Audit and Risk Committee meeting on 10 June had been covered in the Board agenda items.

80. The Chair gave the Board an update on discussions at the meeting of the SRH Group Remuneration Committee meeting on 7 May 2026 where various topics had been discussed, some of which had been covered in the Board agenda. He said that both ScotRail and CSL had undertaken a review of their staff rewards and recognition programmes and compared these against the requirements of the Scottish Public Finance Manual, most of which were comparable. He said that a paper from CSL had been considered on [Redacted] and the Committee agreed that it supported the initiative in principle, and this should be considered by the CSL Board with the caveat that the implications for ScotRail would have to be assessed and the initiative would have to be compliant with the Scottish Public Finance Manual and the SRH Financial Memorandum regarding leases.

Agenda Item 25: Register of Director's Interests Review

81. The register of interests was provided for the Board's review. Roz Foyer gave notification of amendment for her entry in the register. General Counsel asked all statutory directors to inform the Board Secretary of any other amendment.

Agenda Item 26: Any Other Business

82. The Rail Business Director informed the Board that he had received feedback from Transport Scotland on the ScotRail [Redacted]. He said that the points raised had been answered and he awaited a response from Transport Scotland.

83. General Counsel said that the legal secondment arrangements would end on 7 July 2026. He said that he had researched alternative options through a recruitment agency for a temporary resource which would be less expensive than the secondment arrangements. The Chair said that he was not convinced of the need for this and this should be put on hold pending further discussion with the Chief Executive.

84. The Board was provided with copies of the terms of reference for the Group Audit and Risk Committee and Group Remuneration Committee showing tracked changes from the versions approved by the Board at its meeting on 8 January 2026.

85. The Chair said that there was one point of substance relating to paragraph 2.7 where it had been suggested that two non-executive directors of the subsidiary companies should be present where committee discussions related to the affairs of the subsidiary company. He said that this had been discussed at the Audit and Risk Committee meeting and it was noted that as there are only two non-executive directors of the subsidiary companies who are attendees of the ARC and RemCo it would be impracticable for the two to always be present. He said that the terms of reference provide adequate mitigation for having only one subsidiary company non-executive director present as the subsidiary Boards can revisit any area considered by the Committees if it so wishes.

86. The Chair said that the terms of reference for both committees would be submitted to the subsidiary Boards at their meetings next week. He said that these had previously been considered and well received at the individual entity Audit and Risk Committee meetings in February 2026 and also at the Group Audit and Risk Committee meeting on 10 June 2026 where the other members of the subsidiary Boards had been present.

87. Carolyn Griffiths said that she was abstaining from taking a decision to approve the terms of reference since the matters in question concerned the subsidiary Boards' responsibility, she was a Board member of those Boards, and this matter had not been yet discussed at the subsidiary Boards and wanted to hear the views of other members of the Boards of CSL and ScotRail.

88. The Board took a vote and all members of the Board agreed to approve the terms of reference for both committees, as amended, with the exception of Carolyn Griffiths who abstained from voting. The terms of reference were approved by majority.

89. Roz Foyer said that the Group Remuneration Committee system will have matters for discussion that could be within the collective bargaining arena and while she is content to contribute to these matters at Board level, the in-depth discussion at Committee may cause her to be conflicted. The Chair said that there is significant benefit from Roz Foyer's contribution on Remuneration Committee matters at Committee and Board level and he is content for her to continue to be a member of the Committee. He said that he would discuss this with Roz Foyer and come back to the Board if any change in Committee membership is required.

Agenda Item 27: Date of Next Meeting

90. The next meeting of the Board will be held on 18 June 2026.