

**Minutes of ScotRail Trains Limited (“ScotRail”) Board
held on Thursday, 23 February 2023,
1300 – 1500
Atrium Court, 50 Waterloo St, Glasgow / Microsoft Teams ***

Present: David Lowrie* (DL) – Chair
Joanne Maguire (JHM) – Chief Operating Officer
Alex Hynes (AH) – Managing Director, Scotland’s Railway
Derek Marchant (DM) – Finance Director
David Lister (DML) – Safety, Engineering and Sustainability Director
David Simpson (DS) – Service Delivery Director
Emma Dixon (ED) – Non-Executive Director and Company Secretary
Nick Brown* (NB) – Non-Executive Director

In attendance: David Ross (DR) – Communications Director
John MacQuarrie (JM) – Rail Business Director, Scottish Rail Holdings Limited
Claire Dickie (CD) – Head of Retail
Scott Prentice (SP) – Head of Business Development
Michelle Hampsey (MH) – Minute Taker

Apologies: Lesley Kane (LK) – Commercial Director

Item No	Item	Action
1.1	Welcome The Chair welcomed all to the meeting.	
1.2	Apologies for absence and quorum Apologies noted from Lesley Kane. Claire Dickie and Scott Prentice attended in Lesley Kane’s absence.	
1.3	Board appointments and resignations The Board noted the resignation of Natalie Smith as HR Director.	
1.4	Declaration of interests and conflicts No amendments to the interests’ register were declared. Alex Hynes noted he will leave the meeting for item 5.1 due to a conflict of interest.	

	Operational	
2.1	Japan industry exchange presentation Ewan Tait, Business Development Executive, joined the meeting and gave a presentation to the Board on his visit to Japan's railway, highlighting his key lessons and observations and suggestions of what could be incorporated into ScotRail. The Board thanked Ewan for his presentation and he left the meeting.	
2.2	Business Improvement Plan: paper 23/02/01 Joanne Maguire presented the paper, highlighting that it is a draft plan to test the appetite of the ScotRail Board for change and improvement and acknowledging there is more work to be done if the Board agrees to this way forward. The Board discussed the proposed plan and welcomed the approach. It requested that further developments should be brought to the next Board meeting, together with a concisely summarised Budget target that would combine the current draft budget and the most optimistic Business Improvement Plan The Board noted the paper and requested the update and budget target analysis for the next meeting.	JHM
2.3	Fleet recovery mobilisation plan: paper 23/02/02 David Lister presented the paper, which summarises actions in place and next steps planned for the shorter term (during 2023 calendar year) initiatives for the fleet recovery plan from January 2023. These are split into two groups: funded/cost neutral and funding required. The Board noted the plan and welcomed the planning to improve the unfilled vacancies and develop future programmes. The Board noted the paper.	
2.4	Station staffing update Joanne Maguire gave a verbal update on this matter. The Board agreed that Joanne Maguire should raise this with the Minister at next week's meeting, in particular highlighting the outstanding decisions and their consequences.	JHM

2.5	<p>Network Rail performance</p> <p>Alex Hynes left the meeting.</p> <p>Joanne Maguire gave a verbal update on this matter to the Board.</p> <p>The Board noted the update.</p> <p>Alex Hynes re-joined the meeting.</p>	
2.6	<p>Short hop ticketing: paper 23/02/03</p> <p>Claire Dickie presented the paper. A combination of analysis of digital ticket sales and feedback from frontline colleagues has highlighted a revenue protection risk.</p> <p>Claire Dickie explained the presumed reasons for this and that the proposed plan will be run on a trial basis, tracking its development with further analysis.</p> <p>The Board approved a three-month trial and requested that the results be presented back to the Board thereafter.</p>	CD
2.7	<p>Carriage of unregulated lithium-ion powered micro devices: paper 23/02/04</p> <p>David Lister presented the paper requesting the Board's approval to impose a temporary 12-month ban on the carriage of unregulated lithium-ion powered micro devices on ScotRail services. The fire risks associated with such devices was highlighted, together with the recommendation from the Rail Delivery Group (RDG) that train operators impose a ban due to such concerns.</p> <p>The Board approved the proposed 12-month ban on the devices.</p>	
	Governance	
3.1	<p>ScotRail 2023/24 revised draft budget: paper 23/02/05</p> <p>Derek Marchant presented the paper, noting that, following the previous submission of ScotRail's original 2023/24 budget to the Board and to Scottish Rail Holdings Limited ("SRH"), the revised budget document details the key ScotRail areas/assumptions identified from the re-review that can be targeted to partially reduce the RDEL gap as a 'pathway to balance'.</p> <p>The Board noted the improvements since the previous draft's submission and requested:</p> <ul style="list-style-type: none"> a) There is a meeting between the Chair, Scott Prentice, and Claire Dickie to review the revenue and marketing plans before the next Board meeting; and 	SP/CD

	b) That efforts continue to close the funding gap, and specifically that the Business Improvement Plan initiatives are included in future drafts and forecasts.	DM
3.2	<p>Accountable Officer support processes: paper 23/02/06</p> <p>The Chair presented this paper with a request to note his letter to ScotRail's Chief Operating Officer dated 13 February 2023 regarding his recent designation as Accountable Officer (AO) for SRH and its subsidiaries, including ScotRail. The Chair emphasised that, as the AO, there is a need to keep him apprised, usually via the Scotrail Board, as the corporate mind of the company, of all matters and decisions impacting the economics of ScotRail, so all parties can ensure that funding is available. In particular, any potential initiatives that might increase ScotRail's subsidy requirement must be considered by the Board, in advance, to ensure that they represent good value for money, before they are committed or communicated externally</p> <p>The Board considered the paper, and agreed that all future initiatives and decisions that might adversely affect ScotRail's economics must be considered by the Board before any commitment is made.</p>	
3.3	<p>Accountable Officer submissions tracker: paper 23/02/07</p> <p>Derek Marchant presented the tracker, highlighting the matters listed and delays on decisions.</p> <p>The Board discussed the current volume of outstanding AO submissions awaiting approval from the Scottish Government and supported a proposal that the Chair write to the Transport Scotland sponsor team regarding the backlog, together with the anticipated likely 2023-24 funding requirement of the company, after the next Board meeting.</p> <p>The Board agreed that these outstanding requests should be raised with the Minister at next week's meeting.</p> <p>The Board requested a report on the diesel tanks issue be provided for the next meeting.</p>	<p>DL</p> <p>DM</p>
4	<p>Minutes from 23 January 2023 meeting for approval</p> <p>The Board approved the minutes of the 23 January meeting.</p>	

5	<p>Actions arising from previous meeting not already discussed:</p> <p>22.35 <u>Exemption severance policy</u> - Joanne Maguire will lead engagement with Transport Scotland and an update will be provided at the March Board meeting.</p> <p>22.58 <u>Revenue protection: ticket scanning</u> – data on trends will be produced at a later date and presented to the Board. It was noted that currently scanning data is only available from November 2022 and enquires are being made regarding the acquisition of historic data. The Board requested that this is obtained in sufficient detail to determine any inflection point and measure the initiative's value.</p> <p>22.63 <u>Statutory accounts</u> – the Board noted some minor changes had been made and confirmed that the approved authority to sign the accounts continued.</p> <p>23.03 <u>Deposit and Return Scheme for Scotland Regulations 2020</u> It was agreed that the update on the implementation plan should be deferred to May's Board meeting.</p> <p>23.06 - <u>Draft ScotRail 23-24 budget</u> – It requested that the review of the revenue protection plan be brought to the March Board meeting.</p>	<p>JHM/JM</p> <p>CD</p> <p>DM</p> <p>DML</p> <p>LK/DM</p>
6	<p>Rail period 11 reporting pack: paper 23/02/08</p> <p>Joanne Maguire presented the paper, noting that the form of the paper is currently being revised and a proposed template will be brought to the next Board meeting with the intention to use that format thereafter.</p> <p>The Chair requested that graphs and visuals be included to facilitate improved understanding of trends, changes, and performance relative to benchmarks.</p> <p>The Board noted the paper.</p>	<p>DR</p>
7.	<p>AOB</p> <p>Executive to receive the draft SRH Strategic Plan prior to the Board strategy day.</p>	<p>ED</p>
	<p><u>The date of the next ScotRail Board meeting is Thursday, 23 March 2023 at 1300, in Aberdeen</u></p>	