

**Minutes of ScotRail Trains Limited (“ScotRail”) Board
 held on Thursday, 23 March 2023,
 1300 – 1500
 Leonardo Hotel, Aberdeen / Waverley Station, Edinburgh /
 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
 Campbell Davidson – (CDa) Financial Controller, Scottish Rail Holdings Limited

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 approved JM’s appointment as a director of ScotRail with effect from 1 April 2023.	
1.4	Declarations of interests and conflicts No amendments to the interests’ register were declared. The Board noted that Alex Hynes will leave the meeting for item 2.2 due to a conflict of interest.	

Operational		
2.1	<p>Business Improvement Plan: paper 2303-02</p> <p>Joanne Maguire presented the paper, noting that the ScotRail Board approved the development of a draft Business Improvement Plan (BIP) at the 23 February 2023 Board meeting and highlighting that the BIP has been designed to both assist the delivery of the 2023/24 budget and to lay the ground towards improved financial sustainability.</p> <p>The paper was an update to action plans, for noting. The final version will be presented to the Board for approval in due course.</p> <p>The Board discussed the forecast 23023/24 draft budget deficit, the actions and decisions required to close the gap, and the imperative to agree a budget for the year.</p> <p>The Board noted the paper and requested that the Chair raise the issues discussed in his forthcoming letter to Transport Scotland, as Accountable Officer (AO).</p> <p>It was noted that although budget submissions had been delivered to SRH no budget allocation had been agreed beyond the original proposal from Transport Scotland in December 2022. The Board considered that there was sufficient reasonable certainty of agreeing appropriate funding for ScotRail to continue to trade beyond the current financial year, due to end on 31st March, but that the Chair would seek an urgent resolution with SRH so that interim funding could be confirmed. It was further agreed that the ScotRail Executive were empowered to continue to make appropriate financial commitments, within existing agreed contracts, subject to regular reporting of those to the Board where those related to the period beyond the current funding arrangements.</p>	DL
2.2	<p>Network Rail performance</p> <p>Alex Hynes left the meeting, noting his conflict of interest in the matter for discussion.</p> <p>David Simpson gave a verbal update on this matter to the Board.</p> <p>The Board noted the update.</p> <p>Alex Hynes returned to the meeting.</p>	
2.3	<p>High-speed train (HST) power car WSP and sander modifications: paper 2303-03</p> <p>David Lister presented the paper, which outlined the outcome of the procurement exercise to obtain tender proposals for fitment of a new wheel slip protection ('WSP') and sander system to the 52 HST power cars.</p>	

	<p>The Board discussed the options presented, noted the timescales, costs, and benefits, and approved proceeding with the WSP only option as funded, and requested a review of additional opportunities to improve the HST fleet performance and request any associated additional funding, including the Double Variable Rate Sander (DVRS) option.</p>	DML
2.4	<p>Motherwell station: paper 2303-05</p> <p>David Lister presented the paper, which summarised the financial position of the Motherwell station project, the request for additional funding, and any associated risks connected with the funding application.</p> <p>The Board noted the paper and gave its approval to seek funding from Transport Scotland.</p>	DML/JHM
2.5	<p>Timetable consultations for Fife and Strathclyde: paper 2303-05</p> <p>Scott Prentice presented the paper, which builds upon Board papers from 16 June 2022 and 8 September 2022 that proposed new timetables for Ayrshire, Inverclyde, and Glasgow South Electrics routes to better compete with other transport modes. It is intended that new timetables will be introduced progressively between May 2023 and June 2024 as increased numbers of traincrew resource becomes available.</p> <p>The Board discussed the matters raised and decided that a robust business case for any additional funding, including the appraisal of alternatives, must be agreed prior to any public consultation or commitment. The Chair stated his intention to highlight this requirement in his Accountable Officer letter to the Transport Scotland. The proposals were not approved.</p>	
2.6	<p>Ticket scanning: paper 2303-06</p> <p>Claire Dickie presented the paper, which outlined the metrics available for smart ticketing usage and scanning, provided initial analysis since October 2022, and the approach to analysing the impact of the initiative after a six-month review period.</p> <p>The Board welcomed and noted the paper.</p>	
2.7	<p>Revenue protection: paper 2303-07</p> <p>David Simpson presented the paper, providing an update on the progress of the ScotRail revenue protection strategy agreed in October 2022.</p> <p>Focus will continue to be to deliver phase one. Work has commenced on phase two with scoping of new ticket gates, fare differentials, alignment with Network Rail, and further modernisation.</p>	

	<p>The Board requested that progress monitoring continues.</p> <p>The Board noted the paper.</p>	DS
Governance		
3.1	<p>Q4 Forecast: paper 2303-08</p> <p>Derek Marchant presented the paper, detailing the Q4 forecast outturn for 2022/23 and associated grant funding required in accordance with the Grant Agreement.</p> <p>The Board noted and commended the forecast.</p>	
3.2	<p>Depot heating: paper 2303-09</p> <p>David Lister presented the paper, which detailed the storage and use of red diesel for depot building heating purposes, two per cent of total depot usage.</p> <p>The Board noted the paper and requested that engagement with HMRC commence and to be kept updated on progress.</p>	DML
3.3	<p>Board period reporting pack: paper 2303-10</p> <p>David Ross presented the paper, which outlined proposed revisions to improve the ScotRail Board period reporting pack and the process for reviewing key performance indicator (KPI) monitoring.</p> <p>The Board welcomed the paper, approved the instigation of a KPI review meeting, and requested that any additional comments be provided to DR to enable the revised pack to be deployed in rail period two. It also noted guidance that two thirds of material should be forward looking and requested that all measures have internal comparators and external benchmarks.</p>	AII/DR
3.4	<p>Accountable Officer submissions: paper 2303-11</p> <p>Derek Marchant presented the paper highlighting the key issues and implications.</p> <p>The Board requested that the ScotRail Finance Director and the SRH Financial Controller liaise with Transport Scotland regarding the procedure for efficient review and approval of submissions.</p>	DM/CDa
4.	<p>Period 12 reporting pack: paper 2303-12</p> <p>The Chair noted that further discussions are ongoing between ScotRail and SRH regarding train crew analysis. The Board noted the reporting pack.</p>	

5.	<p>Minutes from 23 February 2023 meeting for approval</p> <p>The Board approved the minutes of the 23 February meeting.</p>	
6.	<p>Actions arising from previous meeting not already discussed.</p> <p>The Board noted that the action item on electric vehicle charging will be completed shortly.</p>	
7.	<p>AOB</p> <ul style="list-style-type: none"> • The Board noted the requirement to commence planning for post-2025 plans for shared services and requested that the plans were brought to a future Board for discussion. • The Board noted that agreement on the Business Plan for 2023/24 in accordance with the Grant Agreement is progressing. • The Board requested that papers on the train plan evolution and train crew efficiency be brought to a future Board meeting. It was anticipated that traincrew paper would be presented to the next board. • The Board agreed to move to a cycle of ten or eleven meetings each year. • The Board noted that the latest status summary received from the Carmont Vehicle Recommendations Steering Group would be circulated to the Board. • The Board noted that this was Nick Brown's last board meeting and thanked him for his significant contribution. 	SP/DS
<p><u>The date of the next ScotRail Board meeting is Thursday, 20 April 2023 at 1300, in Atrium Court.</u></p>		