

**Minutes of ScotRail Trains Limited (“Scotrail”) Board
held on Thursday, 26 January 2023,
1300 – 1500
Shields Depot, Glasgow G41 5SD / Microsoft Teams ***

Present: Alex Hynes (AH) – Managing Director, Scotland’s Railway
Jo Maguire (JHM) – Chief Operating Officer
Derek Marchant (DM) – Finance Director
Natalie Smith (NS) – HR Director
David Lowrie* (DL) – Chair
David Simpson (DS) – Service Delivery Director
Emma Dixon (ED) – Board Member
Nick Brown* (NB) – Board Member

In attendance: David Ross (DR) – Communications Director
John MacQuarrie (JM) – Rail Business Director, Scottish Rail Holdings Limited
Lynne Livingstone (LL) – Minute Taker
Michelle Hampsey (MH) – Minute Taker

Apologies: David Lister (DML) – Safety, Engineering and Sustainability Director
Lesley Kane (LK) – Commercial Director

| Item No | Item | Action |
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| 1.1 | Welcome DL welcomed all to the meeting. The Board was advised that Scottish Rail Holdings (SRH) will be taking over the administration of the ScotRail Board meeting, with MH taking the minutes going forward, and thanked LL for her help and support. | |
| 1.2 | Apologies for absence and quorum Apologies noted from DML and LK. | |
| 1.3 | Appointment of Emma Dixon as Company Secretary The Board approved the appointment of Emma Dixon as company secretary of Scotrail. | ED |
| 1.3 | Declaration of interests and conflicts NB noted that he is an advisor to the DfT but this was not active and will request its removal from the declaration of interests if it was inactive for 12 months. | |

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| 2.1 | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> | DS |
| 2.2 | <p>Fleet recovery mobilisation plan: paper 2023/01/03 for approval</p> <p>Scott Prentice and Mike Cochrane joined the meeting to present an update on proposed actions on the fleet recovery plan, which was previously discussed at the Board meeting on 29 December 2022.</p> <p>The Board noted that the number of unfilled vacancies in the engineering team is a serious issue and NS confirmed this is her team's priority to resolve. The Board requested the ScotRail Executive focus on the plans that can be done for Autumn 2023 without capital expenditure, then those requiring capital expenditure once those projects could be implemented, and that items falling into later years be included in medium term plans, and for a report back to the February Board meeting.</p> | DML |
| 2.3 | <p>Period 10 reporting pack: paper 2023/01/04 for discussion</p> <p>The pack was reviewed and the following key points noted:</p> <ol style="list-style-type: none"> 1. Traincrew headcount – the format and scope of the trackers should be extended to demonstrate when the recruitment and pace of training overtakes the rest day working and other targets. 2. Challenging period, with ongoing focus on performance. 3. 55 per cent of media coverage was proactive. 4. Following COVID, in-person frontline staff engagement had restarted with leadership Q&A sessions. 5. Transport Minister has been in the role for one year. 6. Finances are favourable against the latest estimate, but fuel costs continue to be challenging. 7. Travel Safe Team is having a positive impact on staff. 8. Inverness Airport station being opened by Transport Minister on 2 February. 9. ScotRail recertified as top employer for fourth year in a row. <p>The paper was noted.</p> | DS |
| 2.4 | <p>[REDACTED]</p> | |

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| | [REDACTED] | |
| 2.5 | <p>The deposit and return scheme for Scotland Regulations 2020: impacts and actions for ScotRail: paper 2023/01/06 for noting</p> <p>DML will sponsor a working group to look at options to best manage the new regulations and formulate an implementation plan, including work with cross border operators.</p> <p>The Board noted the paper. The Board supported the recommendations and requested that it receives a copy of the implementation plan <i>for noting</i> once it had been approved by the ScotRail Executive.</p> | DML |
| 2.6 | <p>Accountable officer submissions: paper 2023/01/07 for noting</p> <p>DM will maintain the document summarising ScotRail capital project status and, going forward, will incorporate comments from SRH and put in the main pack.</p> <p>The Board noted the paper and requested that an “overdue” mechanism be built into the document and that reporting should be co-ordinated with SRH to ease whole group approval flow.</p> | DM |
| 3.1 | <p>ScotRail Q3 forecast: paper 2023/01/08 for noting</p> <p>DM stated that, as previously advised to SRH, the forecast is late and, as its preparation coincides with budget preparation requirements, suggested that consideration be given to changing the relevant submission dates in the Grant Agreement.</p> <p>The Board noted the forecast, and the risks in respect of fuel price and revenue. DL and DM will discuss how to manage engagement with Transport Scotland.</p> | DL & DM |
| 3.2 | [REDACTED] | DM & LK LK DM |
| 4.1 | <p>Minutes from 29 December 2022 meeting for approval</p> <p>The ScotRail Interim General Counsel (Neil Amner) had proposed an amendment to minute item 3.1: Authorised signatories for Class 385 rolling stock contracts. ED will make those amendments.</p> | ED |

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| | The draft minutes of 29 December 2022 were approved , subject to that amendment being made. | |
| 4.2 | Actions arising from previous meeting not already discussed: | |
| | 22.35: due date to be amended to February Board meeting. | NS |
| | 22.45: Board to be kept apprised via updates to the action paper unless material intervention is required. | DML |
| | 22.52: verbal update required for February Board meeting. | DML |
| | 22.57: due date to be amended to February Board meeting. | JM |
| | 22.58: the requested analysis has not been provided. No specific methods or ratios had been prescribed. Time trend analysis of the ratios described (but not provided) in the commentary, together with refunds/tickets were requested for the February Board to demonstrate the ongoing validity of the 2p per scan incentive. | LK |
| | 22.59: utilisation figure may repeat the original calculation error, i.e., that the denominator had not been adjusted for strike days. An explanation of the error, or actual variance cause, and accurate reporting was requested for all future board meetings. | LK |
| 5. | AOB | |
| | 1. Board strategy offsite: venue to be sourced for 14 March in or near Glasgow. ED to circulate potential facilitators and venues for feedback. | ED |
| | 2. Future papers: SRH is producing a paper template document and will bring that forward for discussion with ScotRail. | JM |
| | 3. Remuneration committee: a meeting will be convened before the end of March. | ED |
| | 4. AdminControl: ScotRail asked that the papers be set up for the performance year, rather than the actual year. ED to resolve. | ED |
| | <u>The date of the next ScotRail Board meeting is Thursday, 23 February 2023 at 1300, at Atrium Court.</u> | |