

**Minutes of ScotRail Trains Limited (“ScotRail”) Board
held on Thursday, 20 April 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
John MacQuarrie (JM) – Non-Executive Director

In attendance: David Ross (DR) – Communications Director
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 and quorum The Chair welcomed all to the meeting and noted it was quorate.	
1.2	Apologies for absence 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 that John MacQuarrie had been appointed as a director of ScotRail with effect from 1 April and he was welcomed to the Board.	
1.4	Declarations of interests and conflicts It was noted that their Caledonian Sleeper Limited directorships should be added to the register for John MacQuarrie, Emma Dixon, and David Lowrie.	ED

Operational		
2.1	<p>Revised planning cycle requirements - 2024 budget and medium term (2025) planning</p> <p>The Chair gave a verbal update on the 2023/24 budget position for ScotRail, reiterating the requirements for this year and what needed to be presented to Transport Scotland for next year.</p> <p>It was also noted that an additional meeting of the Board had taken place on 31st March 2023, at which a budget proposal for trading in the first three rail periods of 2023-24 had been agreed. Minutes of this meeting would follow.</p> <p>The Chair noted that earlier in the day he had received confirmation from Transport Scotland that the budget which could be allocated to SRT from Scottish Rail Holding Limited (SRH) remained at £408million RDEL subsidy for ScotRail and £15million for the peak fares pilot as per the notification made in December 2022. The Chair noted that delivery of such budget would depend on a number of assumptions being met. Notwithstanding the approved funding up to the end of Rail Period 3, it was agreed that securing funding at an appropriate level for the full year remained a priority for the Board. It was noted that ScotRail had received a letter dated 6th April from SRH requesting further profit-and-loss scenarios by 28th April and that the ScotRail Executive were working to deliver these by that deadline. The Board agreed that the SRT Exec should be allowed to present this to SRH in the week following submission.</p> <p>The Board agreed that there was sufficient reasonable certainty of agreeing appropriate funding for ScotRail to continue to trade based on the budget presented on 31st March 2023, notwithstanding that the funding offer received thus far for 2023-24 represented a lower level of funding than the funding represented by the 31st March submission. It was further agreed that the ScotRail Executive are empowered to continue to make appropriate financial commitments subject to regular reporting to the Board where those related to the period beyond the current funding arrangements. The Board noted and accepted as necessary the commitments outside of budget period already made and reported in the Board Pack.</p> <p>Claire Dickie updated the Board on the preparation, planning, and actions required to implement the peak fares pilot with effect from rail period eight in October. The Board observed the importance of correctly measuring the impact of the trial and noted that a decision on its term and any ongoing adoption would likely be taken three months into the trial.</p> <p>The Board requested an update on progress on the peak fares pilot for the Board meeting in May, with the objective of presenting the final proposal at the Board meeting in June.</p>	CD

	<p>The Board then discussed this year's proposed fares increase and requested that the Chair write to TS indicating ScotRail's intention to implement the proposed fares rise of just under five per cent from 1st July 2023.</p>	DL
2.2	<p>High-speed Train (HST) modifications: paper 2004-02</p> <p>David Lister presented this paper, reminding the Board of its previous decision at the meeting on 23 March to approve the replacement the HST power car wheel slip protection (WSP) system and its request for a review of the additional opportunities to improve the HST fleet performance and availability including the cost and benefits of implementing double variable rate sanders (DVRs) on HSTs.</p> <p>The Board noted that the long-expected timescales meant that no decision was required until after the initial group fleet strategy had been formulated and the Carmont Rolling Stock Steering Group recommendations were known in a few weeks' time, and therefore concluded that those should be considered with the options presented.</p> <p>The Board requested that ScotRail's engineering team update the Board annually on its strategy plan.</p> <p>The Board requested that the incoming non-executive director chairing ScotRail's Safety, Health, and Environment Committee be briefed on matters relevant to the HST fleet.</p>	<p>DML</p> <p>DML</p> <p>DML/DS</p>
2.3	<p>Atrium Court improvement works: paper 2004-03</p> <p>Derek Marchant presented this paper, noting the options available for ScotRail to continue occupying Atrium Court and to carry out essential enhancement works to the office space.</p> <p>The Board considered the opportunities outlined in the paper and requested that the matter return to the Board, including consideration of the liabilities associated with an amendment or extension to the lease.</p> <p>The Board noted that if there was a difference between material extensions of the company's contractual liabilities, which it should approve, and confirmation of existing liabilities, which it was content that the ScotRail Executive consider and confirm when appropriate but requested that the Board be kept informed regarding these.</p>	JHM
Governance		
3.1	<p>Accountable Officer submissions tracker: paper 2004-04</p> <p>Derek Marchant presented the paper, highlighting outstanding items and in particular the requirement for TS's approval of the replacement pin enabled devices (PED) project and explaining that delaying this approval will impact on revenue if not approved imminently.</p>	

	The Board requested that John MacQuarrie raise the matter with TS urgently.	JM
3.2	Rail period 13 reporting pack: paper 2004-05 Jo Maguire presented this paper, highlighting that ScotRail will be paying revenue share for rail period 13 to staff. The paper was noted by the Board.	
Minutes, other actions, and AOB		
4.	Minutes from 23 March 2023 meeting for approval The Chair confirmed that the minutes from 23 and 31 March will be brought to the Board meeting in May for approval.	
5.	Actions arising from previous meeting not already discussed: 2004-07 No additional items were noted.	
6.	AOB The Board resolved that the next few Board meetings will be held in Atrium Court, Glasgow due to Scottish Rail Holding's imminent mobilisation of the Caledonian Sleeper. The Board agreed that meetings away from Glasgow would recommence after the summer, rotating amongst major cities, and noted and welcomed that the ScotRail Executive team will continue its programme of staff engagement, including holding meetings at venues throughout Scotland.	
	<u>The date of the next ScotRail Board meeting is Thursday, 18 May at 1300, in Atrium Court.</u>	