

**Minutes of ScotRail Trains Limited (ScotRail) Board
held on Thursday, 2 November 2023,
1300 - 1530
Atrium Court, 50 Waterloo St, Glasgow**

Present: David Lowrie (DL) – Chair
Julie Dale (JD) – Human Resource Director
Emma Dixon (ED) – Non-Executive Director and Company Secretary
Carolyn Griffiths (CG) – Non-Executive Director
Alex Hynes (AH) – Managing Director, Scotland’s Railway
David Lister (DML) – Safety, Engineering, and Sustainability Director
Joanne Maguire (JHM) – Chief Operating Officer
John MacQuarrie (JM) – Non-Executive Director
Derek Marchant (DM) – Finance Director
David Simpson (DS) – Service Delivery Director

In attendance: Phil Campbell (PB) – Customer Operations Director
Claire Dickie (CD) – Head of Retail
Scott Prentice (SP) – Head of Business Development
David Ross (DR) – Communications Director
Sophie Mills – Minute taker

Apologies: Lesley Kane (LK) – Commercial Director

Item No	Item
1.1	Welcome The Chair welcomed all to the meeting.
1.2	Apologies for absence and quorum Apologies were noted from LK.
1.3	Declarations of interests and conflicts No new declarations were noted.
Operational	
2.1	Existing fleet life extension The Finance Director presented this paper for approval. The purpose of the paper was to summarise the cost of the “must do” fleet extension works in such a way that could then be presented to the stakeholder for budgetary approval. [REDACTED]

	<p>The Finance Director noted that indicative funding allocations received from Transport Scotland (TS) earlier in the week suggested that budgetary pressure would arise in 24-25. It was agreed that the Finance Director should submit an “AO” paper to Scottish Rail Holdings (SRH) for (capital) budget allocation to be adjusted to accommodate the necessary fleet extension works described in the paper. This was subject to including a clarification around the impact on PPM into the summary section of the paper.</p> <p>ACTIONS:</p> <p>a. DML/DM to adjust the paper as agreed and send the revised paper as part of an “AO” submission to SRH for onward submission to TS.</p>
<p>2.2</p>	<p>Levenmouth launch</p> <p>The Head of Retail presented a paper on the Levenmouth railway opening. The Board noted that Transport Scotland has requested a launch event which is similar in scale and ambition to the opening of the Borders Railway in 2015. The paper noted Transport Scotland’s suggested opening event and ScotRail’s alternative suggestion which reduces costs by approximately [REDACTED]</p> <p>There was a general discussion on ScotRail’s proposed launch and the value for money test. The Board noted the importance of a launch event.</p> <p>The Board thanked the Head of Retail for a clear paper.</p> <p>The Board noted that funding for this event has not been provided to ScotRail yet. JMQ requested that all future correspondence with Transport Scotland go through him.</p> <p>ACTIONS:</p> <p>a. JMQ to take paper to Transport Scotland with ScotRail option and request [REDACTED]</p>
<p>2.3</p>	<p>Pay strategy</p> <p>The Human Resources Director presented a paper which outlines the current approach to pay at ScotRail and to seek feedback on the proposed approach to producing a pay strategy.</p> <p>The Board noted that significant progress has been made to improve the industrial relations climate at ScotRail since 1 April 2022, as can be demonstrated through the current industrial action-free environment.</p> <p>There was a general discussion:</p> <ul style="list-style-type: none"> – The background to pay at ScotRail, including public pay policy, job evaluation, and pay progression. – The current status of pay negotiations, including funding from Transport Scotland. – The proposed approach to a pay strategy which delivers a seven-day railway. <p>The Human Resources Director also provided an update on recruitment. The Board noted that the vacancy gap is reducing.</p>

	<p>The Board noted that it is the Scottish Government's responsibility to set the public pay policy.</p> <p>The Board endorsed the suggested approach of prioritising closing the vacancy gap and a further paper on the pay strategy being brought to the Board in January 2024.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> a. Follow up paper on pay strategy in January. b. Update to be provided in February with long term plan for recruitment.
<p>2.4</p>	<p>Preliminary budget 24/25</p> <p>The Finance Director presented a paper outlining the preliminary budget for 24-25. It was noted that the paper remained subject to further adjustment and that a full budget including outer years would follow at the next Board meeting.</p> <p>The Finance Director noted the following:</p> <ul style="list-style-type: none"> – [REDACTED] Details of the actual budget allocations from Transport Scotland are expected to be received in November or December. – The RDEL outturn forecast is subject to various assumptions, some of which were instructed for group by Scottish Rail Holdings. <p>The Board was agreed that the Finance Director would convene a separate meeting of non-executive directors so that the assumptions behind the budget could be more fully discussed in advance of the next version being prepared.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> a. DM organise meeting with non-executive directors about the draft budget.
<p>2.5</p>	<p>2023/24 ScotRail Q2 forecast</p> <p>The Finance Director presented this paper for noting.</p> <p>The Board noted the paper.</p>
<p>2.6</p>	<p>Engagement activities</p> <p>The Communications Director presented an update to the Board on the ongoing work to ensure senior leadership team awareness of staff feedback.</p> <p>There was a general discussion on leadership engagement Q&A sessions and frontline visits. It was noted that there has been a significant culture shift in ScotRail under public ownership and the Executive is engaging with staff regularly to increase trust and transparency.</p> <p>The Board requested quantifiable statistics. It was agreed that the Board would receive quarterly summary of Q&A sessions and meetings with front line staff.</p>

	<p>ACTIONS:</p> <p>a. DR to provide number of front-line staff that SML team meets every week.</p>
<p>2.7</p>	<p>Off-peak all day fares trial (P7 update)</p> <p>The Board received an update on the off-peak all-day trial. The Board noted that numbers are as projected — there has been a modest increase in passenger numbers and revenue loss is within forecast levels.</p> <p>The Board noted that the following events have distorted passenger figures and trial performance:</p> <ul style="list-style-type: none"> – Severe weather. – Fire at the former Ayr Station Hotel. <p>The Board thanked the Head of Retail and looked forward to a fuller report once the trial has progressed.</p>
<p>Governance</p>	
<p>3.1</p>	<p>Rail period 7 financial update</p> <p>The Finance Director presented this paper for noting. The Finance Director further noted that at the monthly finance meeting with Scottish Rail Holdings and Transport Scotland, held after the papers were submitted, it was agreed the latest estimate would be improved by ████████, considering upsides on performance regimes in the period.</p> <p>The paper and update were noted by the Board.</p>
<p>3.2</p>	<p>Accountable Officer submissions tracker</p> <p>The Finance Director presented this paper, noting there are two accountable officer items submitted up to one month previously for which a response from Scottish Rail Holdings remained outstanding, and that timely approval of items is required to progress the necessary works.</p> <p>There was a discussion around whether accountable officer submissions are necessary if spending is within budget. Delegated authority from Scottish Rail Holdings down to ScotRail to be confirmed.</p> <p>The Board agreed it would be helpful to note the date of when the accountable officer submission was made by Scottish Rail Holdings to Transport Scotland and for the date to be added to the tracker.</p> <p>The paper was noted by the Board.</p> <p>ACTIONS:</p> <p>a. JMQ to review and update on the status of the items for which no response had been received by Scottish Rail Holdings.</p>

	<p>b. Add column to tracker for when SRH submitted accountable officer form to Transport Scotland.</p>
3.3	<p>Rail period 7 reporting pack</p> <p>The Chief Operating Officer provided an overview of rail period seven. The Board noted the following:</p> <ul style="list-style-type: none"> – The period saw challenges, including a fire at the former Ayr Station Hotel and severe weather impacting services. – Despite these challenges, ScotRail delivered well in the period. – Launch day for the off-peak all-day trail was a success, with an event in Glasgow Queen Street attended by the Minister for Transport. <p>The Board had a general discussion on the following:</p> <ul style="list-style-type: none"> – Customer falls including incident reports and findings. – Diversity in the workforce. The Board congratulated the Executive on a good upward trend. – Diesel exhaust emissions were discussed. The Board noted that the capital plan pipeline has identified some projects to improve emissions in depots. – Body cameras. – Train interference and link with British Transport Police. The Board noted that the Safety, Environment, and Health Committee (SHEC) would discuss this further. – ScotRail business plan. – Fleet subcommittee. It was confirmed that the papers would only come to the Board for noting once draft is in final form. <p>The Board noted that there has been no response from Transport Scotland on the Levenmouth consultation. The Board requested that a one-page report is provided at the next meeting which covers outcome of the consultation and proposed timeline.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> a. JD to use census data to compare against workforce to collect statistics on diversity and provide update. b. CG to be sent ScotRail business plan. c. AH to chase incident reports for Argyle Street escalator failure. d. CG and JMQ to discuss Levenmouth outside Board. e. JMQ to provide one page note on Levenmouth.
Minutes, other actions, and AOB	
4.	<p>Update from SRH Group</p> <p>The Chair had prepared a paper in advance of the meeting which was not included in the Board pack. Paper to be circulated to the Board immediately after the meeting.</p>
5.	<p>Minutes from previous meetings for approval</p> <p>The Board agreed to approve the Board meeting minutes of 5 October 2023.</p>

<p>6.</p>	<p>Actions arising from previous meeting not already discussed</p> <p>The Board reviewed the action tracker and removed items as required.</p> <p>The following changes were made to the action tracker:</p> <ul style="list-style-type: none"> – Item 22.57 – Schedule 17 go ahead. Keep chasing for answer. Due date 30 November 2023. – Item 22.13 – Data collected. DML has internal meeting set up to agree response to Inland revenue. DML to update for next meeting. Due date 30 November 2023. – Item 23.21 – Due date 30 November 2023. – Item 23.29 – JM advised business plan could not be approved because TS had not yet endorsed the Policy Compendium delivery plan. – Item 23.33 – Ongoing - due date 30 November 2023. – Item 23.41 – AO status now a standing agenda item for which actions can be separately tracked each meeting. – Item 23.50 – Close action. – Item 23.52 – Ongoing – Item 23.53 – Close action. – Item 23.54 – Due date 30 November 2023. – Item 23.55 – DS sent CG update. Close action. – Item 23.61 – Close action. – Item 23.62 – keep open move to January 2024 and report in February. – Item 23.63 – Update due at February 2024 Board. – Item 23.64 – Due date 30 November 2023. – Item 23.65 – Close action. – Item 23.66 – JD provided verbal update. Management had received information from employee counselling and Nuffield referrals. Over the year, 30 per cent is work-related and 70 per cent non-work-related. Breakdown showed that the highest non-work-related group is drivers, noting that drivers are one of the departments with the highest number of employees. Across the year there were 52 self-referrals and 246 management referrals to Nuffield. Close action. – Item 23.67 – Close action. – Item 23.68 – Close action. – Item 23.69 – Circulate terms of reference and then close action. – Item 23.70 – Close action. – Item 23.71 – Keep open. Due date January 2024. Note to go to minister on interim intercity fleet – DR draft in next couple of days. <p>JHM noted that the action tracker is showing gaps. DL, ED, and JHM agreed to update the tracker.</p>
<p>7.</p>	<p>AOB</p> <p>Trade unions: The Chief Operating Officer provided a verbal update on industrial relations. The general pay grades remain outstanding following amendment to drivers pay deal. Papers going to union by close of business today. There was a</p>

	<p>general discussion on costs being absorbed by Q2 2024 forecasts. The Board noted the update.</p> <p>HSTs: The Board noted the ongoing concern that ASLEF's December deadline is approaching.</p> <p>Schedule 17: The Chief Operating Officer reported that the station staffing strategy paper has gone to Scottish Ministers. The Board noted this update.</p> <p>Barrhead: The Chief Operating Officer reported that the line has now been electrified and there are discussions with RMT and ASLEF about moving from diesel to electric. The Board noted that this impacts the Strathclyde Manning Agreement and RMT has issued a ballot. The Chief Operating Officer reported that there is a meeting week beginning 6 November and will report back.</p> <p>Meeting frequency: The Chief Operating Officer noted that under the Grant Agreement, periodic meetings are required. The Board had a general discussion on the frequency of the meetings, noting that they are more frequent than other public body boards. The Chief Operating Officer proposed that the meeting every second month could cover KPIs only as required under the Grant Agreement.</p> <p>ACTIONS:</p> <ul style="list-style-type: none"> a. ED to consider and report back. <p>Risks on horizon: CG provided a verbal update on the Carmont Steering Group and potential associated risks. CG and DML to work together. The Board thanked CG for the updated and noted the risks.</p>
	<p><u>The date of the next SRT Board meeting is at 13.00 on Thursday, 30 November, in Atrium Court, Glasgow</u></p>