

**Minutes of ScotRail Trains Limited (“ScotRail”) Board
held on Thursday, 15 June 2023,
1300 – 1500
Atrium Court, 50 Waterloo St, Glasgow / Microsoft Teams ***

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
 John MacQuarrie (JM) – Non-Executive Director
 Joanne Maguire (JHM) – Chief Operating Officer
 Derek Marchant (DM) – Finance Director
 David Simpson (DS) – Service Delivery Director

In attendance: Claire Dickie (CD) – Head of Retail
 David Ross (DR) – Communications Director
 Michelle Hampsey (MH) – Minute taker

Apologies: Lesley Kane - Commercial Director
 Scott Prentice - Head of Business Development

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 the Commercial Director and the Head of Business Development.	
1.3	Board Appointments No matters were noted.	
1.4	Declarations of interests and conflicts No new updates were noted.	
Operational		
2.1	Budget and Q1 forecast The Finance Director presented this paper, noting that the company currently has an approved Financial Year 2023/24 budget covering rail periods 1-3.	

	<p>The Finance Director presented this paper, noting that the company currently has an approved Financial Year 2023/24 budget covering rail periods 1-3.</p> <p>The Board was requested to consider and approve ScotRail's phased budget proposal for the Financial Year 2023/24, noting that it presents a balanced resource departmental expenditure limit (RDEL) outturn versus the [REDACTED] RDEL funding envelope; but a more complex situation on other expenditure limits.</p> <p>The Board noted ScotRail's key assumptions and budget sensitivities when considering the budget proposal, including the annual fares increase anticipated in July.</p> <p>The Board approved the RDEL budget proposal for the Financial Year 2023/24 and recommended its submission to Scottish Rail Holdings Limited (SRH) for approval in accordance with the Grant Agreement.</p>	
<p>2.2</p>	<p>Driver Resource Strategy</p> <p>The Service Delivery Director presented this paper, noting that at the December 2022 Board meeting a revised strategy for traincrew resourcing was approved, aimed at eliminating reliance on rest day working to deliver the normal timetable and to support Sunday becoming part of the normal working week by December 2027, as agreed with the trade unions in the 2022 pay deal.</p> <p>The paper provided an update on progress towards delivering the revised strategy and the key risks and opportunities associated with it and noted that the primary focus has been on drivers, given the training period and resources necessary to deliver this.</p> <p>The Board considered the issues in full. However, there was disappointment at the more extended timescales involved to reach maturity and the lack of the requested full comfort for all relevant staff. The Board requested there should be further discussions between SRH and the Service Delivery Director to discuss the requirements in detail. The Board requested that detailed presentation including strategy and associated risks be presented at the September Board meeting.</p>	<p>JM/DS</p>
<p>2.3</p>	<p>Short hop digital ticketing – results of trial</p> <p>The Head of Retail presented this paper, noting that a trial to remove the purchase of short-hop digital barcode ticket on five journey opportunities was approved by the Board in February 2023 and commenced in March 2023.</p> <p>The Board noted the positive impact of the strategy and the outlined next steps and congratulated the Head of Retail and her team on the successful trial.</p>	

<p>2.4</p>	<p>Pilot to remove peak fares</p> <p>The Head of Retail presented this paper which provided an update on the proposed upcoming pilot to remove peak fares.</p> <p>The Board noted that ScotRail and SRH have provided Transport Scotland with two high-level options on how the pilot could be delivered, and now required clarity on which option should be progressed to enable the detailed scoping and implementation plans.</p> <p>It was anticipated that a response from the Sponsor would be received shortly.</p> <p>The Board noted the trial status.</p>	
<p>2.5</p>	<p>Scan commissions update</p> <p>The Head of Retail presented this paper, noting that a previous paper was presented to the Board in March 2023 outlining the initial impact of the 2p per scan commission initiative. After six months of operation the impact of the initiative has been to increase revenue collection on-train/gateline and reduce fraudulent refund claims, together generating £223,000 in additional revenue per period.</p> <p>The Board noted this paper and thanked the Head of Retail and her team on this successful initiative.</p>	
<p>2.6</p>	<p>Schedule 4 opt out</p> <p>The Managing Director of Scotland's Railway recused himself from the matter because of his conflict of interest.</p> <p>The Finance Director presented this paper, explaining that ScotRail currently operates within the Schedule 4 regime of the Track Access Contract (TAC).</p> <p>The Office of Road and Rail now enable a train operator to opt out of the Schedule 4 regime. The decision to opt out or remain within the Schedule would apply for the whole of Control Period 7 (CP7 – 1st April 2024 to 31st March 2029).</p> <p>The matter had been discussed by ScotRail's Executive team on 6th June 2023, and it was recommended that ScotRail should continue within the Schedule 4 scheme.</p> <p>The Board noted and approved the recommendation decision.</p>	
<p>Governance</p>		

3.1	<p>Accountable Officer submissions tracker</p> <p>The Board discussed the outstanding Accountable Officer submissions and requested that SRH highlight these to Transport Scotland, noting the urgent requirement for their approval.</p>	JM
3.2	<p>Rail period one reporting pack</p> <p>The Chief Operating Officer presented the report and the Board noted the favourable revenue trend for the period.</p> <p>The Board requested that more information on safety matters be included in the pack and it was confirmed that the new form of rail period report which will be presented at the next board meeting will address this.</p>	
Minutes, other actions, and AOB		
4.	<p>Minutes from previous meetings for approval</p> <p>Item 6 – corrected to note that a roundtable meeting with all stakeholders had been requested. AH confirmed that he will make arrangement for this meeting.</p> <p>Item 2.3 – an error was noted that the reference should be to “March 2027” instead of “March 2023.”</p> <p>The Board approved the above minutes subject to the minor changes being made.</p>	<p>AH</p> <p>ED</p>
5.	<p>Actions arising from previous meeting not already discussed: 2004-07</p> <p>No additional items were noted.</p>	
6.	<p>AOB</p> <p>The Board noted that:</p> <ol style="list-style-type: none"> 1. SRH is working with Transport Scotland to seek clarification on the consequences of ScotRail’s recent Office for National Statistics classification. The Chief Operating Officer and Finance Officer are considering implications for the company. 2. The Safety, Engineering, and Sustainability Director confirmed he is commissioning a scope for costing the fleet life extensions, focusing on safety, reliability and meeting expectations. It is anticipated that a paper will be brought to the September Board meeting, 3. Revenue share consideration, options, consequences and relevant future actions would be brought to future meetings in due course. 4. The Chief Operating Officer provided an update on employee pay discussions. 5. Carolyn Griffiths provided an update on the Carmont Rolling Stock Advisory Group. 	JHM/DM

	<p><u>The date of the next ScotRail Board meeting is Thursday 10th August in Atrium Court.</u></p>	
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