



committee) where robust and fit for purpose. It was acknowledged that the sub committees would be a temporary addition to the governance structure of the Company, and the anticipated duration of each of the sub committees would be considered when setting up the individual terms of reference.

It was accordingly **AGREED** that the following sub committees be established:

**Critical Infrastructure Projects Delivery Sub Committee:**

|                    |  |
|--------------------|--|
| Chair:             | Janis Kong   |
| Members:           | Chris Gibb<br>Sharon Flood<br>Michael O' Higgins   |
| Executive Members: | Mark Carne<br>Francis Paonessa<br>Robin Gisby/Phil Hufton<br>Paul Plummer<br>Barney Wyld |

The prime purpose of this sub committee would be to review with urgency the processes, planning and risk management for the major planned weekend and Spring Holiday projects. This sub committee would likely meet weekly until shortly after Easter.

**Major Projects Delivery Sub Committee:**

|                    |   |
|--------------------|---|
| Chair:             | Malcom Brinded                                      |
| Members:           | Chris Gibb<br>Richard Parry-Jones                   |
| Executive Members: | Patrick Butcher<br>Francis Paonessa<br>Paul Plummer |

The prime purpose of this sub committee would be to provide assurance of the longer term planning and delivery process for infrastructure projects and would likely meet less frequently but for a longer period than the Critical Infrastructure Projects Delivery Sub Committee.

It was further agreed it would be helpful to invite a member of the Shareholder Executive to attend the Major Projects Delivery Sub Committee, and following the first meeting they would be invited to attend.

**PP**

**Business Plan Sub Committee:**

The Members of which would be determined following the debate on the Business Plan later in the meeting.

The Chairs of each Sub Committee would prepare a draft Terms of Reference and would work with the Executive Team to establish a forward calendar of meetings and content. Meetings would be scheduled as far as possible to fit into the cycle of existing executive review meetings. The Company Secretariat would provide support to each sub committee as required.

**JK/MB/RPJ**

It was also agreed that the Chairman would write to the Secretary of State to set out the Board's response to his last meeting and describe the additional governance steps that were being taken.

**RPJ**

A political stakeholder plan featuring all key meetings up until the election would be prepared.

**MC(BW)**

Finally Bridget Rosewell considered that it may be necessary to find some additional time for the Audit & Risk Committee of the Board to consider in more detail matters

relating to underlying robustness of data. She would prepare a short description of what additional work she would like the Audit & Risk Committee to consider and would then work with the Company Secretary to diarise this as necessary. **BR/SEW**

**15/04 PREVIOUS MINUTES**

The Minutes of the previous Board meetings on 25<sup>th</sup> November 2014 and 8<sup>th</sup> January 2015 were **APPROVED** subject to some amendments which would be incorporated. **SEW**

**15/05 ACTION LIST**

The Action List was **NOTED** and would be updated. The updating notes on renewals and the Sentinel Programme were discussed.

In relation to renewals it was noted that work bank stability was now much stronger which would play into better unit rates. This topic would also return to the Board in February. **MC(RG/PH)**

Regarding the Sentinel Programme Update the Board recommended that the expansion of scope for use of the card be resisted, the business should concentrate on the Sentinel cards core benefits.

**15/06 DIRECTORS' CONFLICTS OF INTEREST**

No new Conflicts of Interest were reported, it was noted that Bridget Rosewell's appointment to the DfT's Audit and Risk Committee had been confirmed and any potential conflicts of interest would be monitored carefully.

**BUSINESS OPERATIONS:**

*Francis Paonessa joined the meeting*

**15/07 BOARD REPORT – PERIOD 9**

Mark Carne led a general discussion on the Board report, the following items being reported:

- The current status of the discussions with the DfT relating to the telecoms business, options would be brought back to the February Board **MC(JE)**
- The serious accident that had occurred on the Stockley flyover over the Christmas period, which could have given rise to a serious train accident.
- The correspondence between the ORR, Mark Carne and the Chairman on performance prior to Christmas, that had culminated in a letter from Anna Walker to the Chairman – this would be circulated to the Board as not all had seen this **SEW**
- The ongoing work being undertaken to prepare the company for Freedom of Information
- The recent and ongoing difficulties at London Bridge following the works over Christmas and New Year
- PPM – whilst targets were still not being met it was reported that delay minutes had decreased significantly and Temporary Speed Restrictions had also come down from 350 3 months ago to 260, and were forecast to further reduce to 175 by the end of the financial year. Autumn performance had also been much better than previous years with positive safety statistics and a significant reduction in wrong side track failures during the period. Asset reliability was also beginning to improve with the lowest incident count for some time and with the CRI (Composite Reliability Index) beginning to rise. There were therefore some significant green shoots in terms of improving performance however progress in reducing reactionary delay and improving timetabling was not what it should be.

A brief discussion on timetabling then followed it being acknowledged that currently improvements to timetables was largely being driven by the centre of Network

Operations and pull from the Routes and Train Operators needed to be increased. A suggestion was made that really focusing on passenger needs may create this pull, it being noted that passengers are often more interested in things other than PPM. It was agreed that Network Rail could work even closer with the Train Operator Companies and Passenger Focus to develop the thinking in this area, which should be prepared for input into the Initial Industry Plan for CP6.

The Board questioned the wording in the report on the status of Improvement Notices (page 40 of 158 on Board Books) in relation to the COSH Regulations, clarification would be provided.

**SEW**

It was noted that the wording in the report at times represented the Routes view not necessarily the consolidated Executive's view (see in particular the commentary in relation to Asset Management and Renewals), this would be addressed in future reports.

**PB**

**15/08**

#### **REVIEW OF CHRISTMAS WORKS AND PREPARATION FOR EASTER WORKS**

Mark Carne and Francis Paonessa presented paper 02/15 which gave an overview of engineering works during the Christmas period and outlined the preparation for engineering works at Easter. The sheer scale and extent of the works was highlighted – there had been 11,000 people working on 322 projects across the network which translated into 2000 separate work sites across 800 possessions. 99% of these had been handed back on time.

Work planned at Easter was of a lesser volume as there were fewer working days. Over the Easter weekend the Company planned to deliver 270 projects, via 1000 worksites across 308 possessions. Several of these would be high profile and challenging especially the signalling enhancements at West Slough and Reading. It was confirmed that thorough reviews were being carried out at T-8, additional signalling resource was being brought into the projects and contingency plans for an extra fifth day of work were being discussed with First Great Western.

The Chairman noted that such infrastructure projects can never be made entirely risk free. Following the Christmas overruns it was clear that contingency planning had been stepped up and huge focus was being given to the top 60 highest risk projects. Most could not be moved or delayed due to consequences for work planned later in the year.

A more detailed review of the critical projects would be carried out in the newly created sub committee on Critical Infrastructure Projects Delivery.

*Francis Paonessa left the meeting*

**15/09**

#### **UPDATE ON BUSINESS PLAN**

Patrick Butcher presented paper 03/15 which gave an update on the Business Plan accompanied by a set of tabled slides.

It was noted that the business was still in the early stages of the business planning process. The submissions made by the business were the first round in the process and had produced an unacceptable outcome, highlighting a series of strategic, operational and tactical challenges. The business had been encouraged to be transparent and identify all concerns and any overlays without plans attached. It was noted the position would be improved significantly in the next round, as the submitted plans were not acceptable to the Executive. Nevertheless the scale of the issue did make it likely that some difficult choices would have to be made to bring the business back to plan.

The Board thanked the Executive team for providing an early and transparent insight into the scale of the challenge. The important thing was to work to get to a better answer within the current management structure. Devolution had to be made to work

and the ability to build into the organisation healthy competition would be key; as was providing the routes with freedom but within a clear framework. The plans need to be owned and realistic, a P30 upside plan with clearly articulated consequences and downsides is what the Board would be looking for along with a range of options regarding decisions and a plan to build up contingency.

Paul Plummer then presented a slide on the proposed plan for engagement with key stakeholders in relation to the Business Plan, which was discussed.

A further update of the plan would be provided to the Board in February and the final version being submitted for approval in March. It was agreed that the timetable for finalisation of the Business Plan did not fit well within the corporate calendar for Board meetings, with no Board being scheduled for March. One would be necessary in March and the Company Secretary would set up the same.

**SEW**

In addition as discussed earlier in the meeting a Business Plan Sub Committee would be established with the following members:

|                    |   |
|--------------------|---|
| Chair:             | Richard Parry-Jones   |
| Members:           | Bridget Rosewell<br>Sharon Flood  |
| Executive Members: | Mark Carne<br>Patrick Butcher<br>Paul Plummer<br>and other members of the Executive Committee as may be appropriate |

The terms of reference and the timing of the sub committee would be agreed outside of the meeting.

**PB/RPJ**

**STRATEGIC THEMES:**

**15/10 FUNDING & AFFORDABILITY – TOWARDS OUR INITIAL INDUSTRY PLAN**

This item would be deferred to either the next Board or Strategy Away Day and any comments on the paper to be provided to Paul Plummer directly by e mail.

**All**

**15/11 FUNDING & AFFORDABILITY – FUTURE FINANCING OPTIONS**

This item would be deferred to either the next Board or Strategy Away Day.

**SEW**

**15/12 GOVERNANCE STRUCTURE**

Paper 06/15 which outlined the proposed Network Rail position on the governance model; the proposed high level position on approach to regulation; proposed ongoing Board engagement with government and the proposed engagement with government on changes was largely taken as read. It had informed the discussions on governance earlier in the Board meeting.

**15/13 ANY OTHER BUSINESS**

**DIRECTOR OF NETWORK RAIL PENSION TRUSTEE LIMITED**

Paper 07/15 which requested approval of the continuing appointment of a Member Nominated Director of Network Rail Pension Trustee Limited (**NRPTL**) in accordance with NRPTL's Articles was **APPROVED**.

It being Robin Gisby's last Board meeting the Chairman then recorded the Board's deep appreciation for all that Robin Gisby had done for the Company. In particular for his tremendous loyalty and dedication, his ability to empathise, build strong business relationships and alliances and for being such a strong ambassador for the Company.

There was no further business.

**15/14 DATE OF NEXT MEETING**

The next Board Meeting would be held on 23 February 2015.

**For information – discussion by exception only**

**15/15 SHE COMMITTEE – 21.01.15**

Malcolm Brinded provided a short verbal update of the SHE Committee.

**15/16 PENSIONS UPDATE – RAILWAYS PENSION SCHEME VALUATION**

The paper which outlined the discussions with trade unions which are progressing to conclude the three yearly valuation of the Railways Pension Scheme, seeking to offset anticipated increases in payroll costs of c£84m over CP5 associated with State Pension reform in 2016, was taken as read and noted.

**15/17 BOARD FORWARD AGENDA**

The forward agenda was noted

There being no further business the Chairman closed the meeting.

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CHAIRMAN

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