

**MINUTES OF A MEETING OF THE BOARD OF  
NETWORK RAIL LIMITED**

**held at Network Rail, One Stratford Place, 1 Montfitchet Road, London E20 1EJ**

**on Wednesday 1 May 2019 from 09:30**

<b>Present:</b>	Sir Peter Hendy (Chair) Rob Brighthouse Sharon Flood Chris Gibb Andrew Haines	Silla Maizey David Noyes Mike Putnam Bridget Rosewell Jeremy Westlake
<b>In attendance:</b>	Michael Harrison, UKGI observer Stuart Kelly, Group General Counsel & Company Secretary Helen Martin, Senior Assistant Company Secretary Caroline Murdoch, Director, Corporate Communications Meliha Duymaz (min 19/65) Anit Chandarana (min 19/67 to min 19/69) Charles Robarts (min 19/67 to min 19/69) Michael Clark (DfT) (min 19/68) Keith Williams (Guest) (min 19/68) Paul McKeown (min 19/70) (by phone)	
<b>Apologies:</b>	Richard Brown	

MINUTE NO.	ACTION	ACTION
19/58	<p><b><u>Safety briefing</u></b></p> <p>The Board was briefed on the health, safety and emergency evacuation procedures for One Stratford Place.</p>	
19/59	<p><b><u>Chair's remarks</u></b></p> <p>The Chair noted that prior to the meeting Richard Brown had provided to the Board written feedback on the day's meeting papers.</p> <p>The Board:</p> <ol style="list-style-type: none"> <li>1. Noted that since its last meeting CP5 had ended and CP6 had begun. The Board congratulated the Chief Financial Officer and his team for the cash management improvements made in 2018/19 and the year-end result. The Board was also pleased to be starting CP6 with a good financial settlement and robust delivery plans in place.</li> <li>2. Briefly commented on Crossrail and two recent reports from KPMG and the London Assembly. The National Audit Office was expected to publish its report shortly.</li> <li>3. Noted that work was being done to bring together the recommendations from the DfT/IPA report on "Lessons from transport for the sponsorship of major projects" with those from the KPMG report into Crossrail. The recommendations would be assessed, and a proposal made to the Board as to how Network Rail would, where appropriate, embed those recommendations. Those proposals would include accountabilities at each stage of projects/programmes.</li> <li>4. Welcomed the opportunity the Chair had to meet informally with the Board of ORR and would seek to reciprocally invite Declan Collier, Chair of the ORR to an informal meeting of this Board.</li> </ol>	<p>Jo Kaye Sally Rose</p> <p>Stuart Kelly</p>

	<p>5. Discussed the DfT's written statement to Parliament on 4 April 2019 confirming that 73 stations would, subject to a feasible design being possible, receive an accessible route into the station, as well as to and between every platform. Any work done was expected to complete by the end of March 2024. These improvements would be funded from the additional £300 million earmarked for the Inclusive Transport Strategy published on 25 July 2018. In particular this presented an opportunity for better architecture and value-for-money stations.</p> <p>6. Discussed the current status on Thameslink.</p> <p>7. Discussed the flows of information between East West Rail Company, Network Rail and the DfT, noting that these needed to be rationalised to allow Network Rail scrutiny and challenge of costs.</p> <p>8. Noted that the National Infrastructure Commission had published its report "Better Delivery: the challenge for freight".</p>	
19/60	<p><b><u>Minutes of previous meetings</u></b></p> <p>The minutes of the Board meeting held on 5 March 2019 were approved.</p>	
19/61	<p><b><u>Action list</u></b></p> <p>The Board discussed the action list.</p> <p><b><u>Action 18/172 – Capital Delivery – Intelligent Client</u></b> The Board noted the paper that closed this action and that this work was now 'business as usual'. However, the Board did ask to see a summary of the outcomes for all workstreams.</p> <p><b><u>Action 19/07 – Network Rail's critical supply chain</u></b> The paper was noted, and this action was closed. However, the Board asked that the relevant teams ensured that they had fully considered the effect on warranties, intellectual property and OEM spares.</p> <p>The Board felt it would be helpful to have a wider review of business continuity management and how this would be managed in a more devolved business.</p> <p>The Board asked to see the pipeline of projects in the CP6 Enhancements Fund regime. To date the only projects agreed were those that completed the Hendy pipeline agreed during CP5. The Board was concerned about this lack of visibility of future projects, particularly for the supply chain and helping them to resource and manage their businesses. The Board asked for an update at the next meeting.</p>	<p>Paul McKeown</p> <p>Helen Hunter-Jones</p> <p>Jeremy Westlake</p>
19/62	<p><b><u>Directors' interests</u></b></p> <p>David Noyes reported that he was a member of the Membury (Devon) Parish Council.</p>	
19/63	<p><b><u>Chief Executive's Report</u></b></p> <p>The Chief Executive discussed with the Board:</p> <ol style="list-style-type: none"> <li>1. Evidence in the last quarter 2018/19 that rail passenger numbers were growing, the backdrop against which enhancements spending would be assessed. In addition, there were some early signs of improved train performance.</li> <li>2. That train performance was now being reported against on time arrival at stopping stations rather than just the final destination. Contrary to some expectations, the anticipated dramatic contrast in these two performance measures had so far not materialised.</li> </ol>	

	<p>3. Preparation for the introduction of the May 2019 timetable. Emerging issues were being closely monitored and managed by the cross-party Timetabling Programme Management Office. The Board noted that as of 5 April 2019 the T-12 publication timescales had been recovered. The Board thanked the Capacity Planning team for all their hard work and commitment to get to this position, recognising that this was a significant achievement.</p> <p>4. Network Rail's arrangements for sourcing rail from British Steel.</p> <p>5. The tragically high number of suicides on the railway during the last period of 2018/19. Network Rail was working with Samaritans and British Transport Police to try to identify any reasons for the increase.</p> <p>6. The circumstances surrounding the tragic incident at Stoke Canon level crossing and the impact it had had on employees and rail industry colleagues.</p> <p>7. The RAIB conclusion following their investigation into the tragic death of a colleague at Stoats Nest Junction. Network Rail was considering RAIB's conclusions and additional monitoring or control of working hours.</p> <p>8. The status of pay talks for Band 5-8 colleagues.</p> <p>9. An update on franchising. Stagecoach had been eliminated from the bidding process for three rail franchises: East Midlands, South Eastern and West Coast Partnership. Meanwhile the East Midlands rail franchise had been awarded to Abellio.</p> <p>10. An alleged mishandling of confidential data related to the East Midlands franchise, which had been reported immediately it was discovered; that had allowed a rapid investigation to take place. This had found that the information had been fully contained, without prejudicing the bidding process. The Board discussed how this matter had been communicated internally. The Audit &amp; Risk Committee would review the detail of this.</p> <p>11. The status of recruitment into the senior roles created pursuant to the Putting Passengers First programme.</p> <p>12. The accountabilities for those duties which would move from the System Operator directorate. A summary would be provided to the Board by the Putting Passengers First programme on where these accountabilities lay.</p> <p>13. The successful completion of the Easter programme of engineering works. The Board thanked the 13,800-strong workforce that had toiled around the clock in unseasonably warm temperatures, to deliver more reliable infrastructure and improved facilities for passengers.</p>	<p>Jeremy Westlake</p> <p>Becky Lumlock</p>
<p>19/64</p>	<p><b><u>Chief Financial Officer's Report</u></b></p> <p>The Chief Financial Officer discussed with the Board that:</p> <ol style="list-style-type: none"> <li>1. all funding agreements for CP6 were now in place.</li> <li>2. the Public Accounts Committee would be reviewing the asset divestment programme in June, following the publication of the National Audit Office's review.</li> <li>3. the ORR had commented favourably on Network Rail's response to their Provisional Order on train performance.</li> <li>4. the ORR had recognised the efforts made to improve some areas of Network Rail's readiness for CP6.</li> </ol>	

	5. the changes to the regulatory escalator.	
19/65	<p><b><u>Route review - Anglia</u></b></p> <p><i>Meliha Duymaz joined the meeting.</i></p> <p>Paper 32/19 had provided the Board with an update on the Anglia Route.</p> <p>The Board recognised the significant improvement in Anglia's safety performance over the year, and noted the collaborative efforts of the Route, IP and contractors. While proud of this achievement the team was not complacent and was committed to continuing this positive trend.</p> <p>The Board asked for an update on the use of TPWS at level crossings on the Anglia route.</p> <p>Train performance had been had been below expectations in 2018 as 'the beast from the east' was followed by prolonged hot, dry weather. Anglia's clay and marsh ground conditions had made this particularly challenging. One lesson from this was the amount of preparation for Spring, Summer and Winter compared with that devoted to Autumn. That approach would be reviewed across the business, led by the Network Services Director.</p> <p>Importantly, a lot of effort had been made to communicate the Route's priorities to teams across Anglia, supported by regular updates on performance and celebrations of success. Together with investment in staff development, there were signs that employee engagement in Anglia was improving.</p> <p>For the first year of CP6 the focus was on safety, improving train performance and delivering efficiencies. At the same time, work was being done on how to maximise the benefits from the creation of the Eastern region.</p> <p>The Board noted that nearly all the track access required in the first year of CP6 had been secured, while over two-thirds of the workbank had now been authorised.</p> <p>The Board noted the progress made over the last year and thanked the Anglia route team for their work.</p> <p><i>Meliha Duymaz left the meeting.</i></p>	<p>Meli Duymaz</p> <p>Nick King</p>
19/66	<p><b><u>Euston Station – update</u></b></p> <p>Chris Gibb briefed the Board on recent discussions by a sub-committee of the Property Supervisory Board relating to the redevelopment of Euston Station pursuant to HS2.</p> <p>The Board noted some of the options being considered by HS2 as part of their review of programme costs. The Board discussed the likely implications for passengers, Network Rail and train operating companies of some of those options.</p> <p>Andrew Haines would raise this topic at the next joint DfT, HS2 Ltd and Network Rail board meeting, and would brief this Board on the outcome of those discussions.</p>	<p>Andrew Haines</p>
19/67	<p><b><u>Williams' Rail Review – update</u></b></p> <p><i>Anit Chandarana and Charles Robarts joined the meeting.</i></p> <p>The Board discussed paper 33/19 which (i) provided an update on the Rail Review, (ii) sought the Board's input to Network Rail's emerging thinking, and (iii) sought approval of Network Rail's response to the Rail Review consultation.</p> <p>Network Rail continued to support the Rail Review, emphasising the need to address the increasing complexity arising from the growth of the industry over time and the</p>	



	<p>Everyone agreed it had been a useful discussion, and the Board invited Keith Williams and Michael Clark to meet with the Board again at an appropriate time.</p> <p><i>Michael Clark and Keith Williams left the meeting.</i></p>	Anit Chandarana
19/69	<p><b><u>Williams' Rail Review - reflection</u></b></p> <p>The Board reflected on the Williams' Review discussions.</p> <p>The Board <b>DELEGATED</b> authority to the Chief Executive to approve the response to questions on evidence papers and draft assessment criteria to be submitted to the Rail Review.</p> <p><i>Anit Chandarana and Charles Robarts left the meeting.</i></p>	
19/70	<p><b><u>London to Corby Electrification and Capacity Upgrade</u></b></p> <p><i>Paul McKeown joined the meeting.</i></p> <p>Paper 34/19 sought re-authority of the anticipated final cost (AFC) for this project (which was part of the Midland Main Line Programme), noting that it was a reduction on the amount previously authorised.</p> <p>The proposal had been reviewed by the Executive Leadership Team which recommended that the Board approve the proposal.</p> <p>The Board questioned whether it was appropriate to be reducing the AFC at this stage of the Programme. Paul McKeown confirmed that it was.</p> <p>The Board also discussed how the lessons learned were being embedded in the business. It was confirmed that the lessons were being shared with other programmes on the LNE route. Clarification as to how the lessons were being shared with and embedded into other parts of the business would be provided to the Board.</p> <p>The Board <b>APPROVED</b> the revised AFC for the London to Corby Electrification &amp; Capacity Upgrade Project.</p> <p><i>Paul McKeown left the meeting.</i></p>	Paul McKeown
19/71	<p><b><u>Committee updates</u></b></p> <p>The Board was updated on the activities of the Nomination &amp; Remuneration and Audit &amp; Risk Committees since the 5 March Board meeting.</p>	
19/72	<p><b><u>Prosecution report</u></b></p> <p>The Board noted paper 36/19.</p>	
19/73	<p><b><u>Company Secretary's report</u></b></p> <p>The Board reviewed paper 37/19.</p> <p>Following discussion, the Board <b>RATIFIED</b> the:</p> <ul style="list-style-type: none"> <li>• changes to the board composition of Network Rail Pension Trustee Limited, the System Operator Advisory Board and Network Rail Property Limited; and</li> <li>• use of the Company seal, both as set out in the paper.</li> </ul> <p>The Board <b>NOTED</b> the governance and corporate law developments contained in the paper.</p>	

19/74	<p><b><u>Board forward agendas</u></b></p> <p>The Board discussed the draft agendas for the meetings on 30 May and 28 June.</p>	
19/75	<p><b><u>Western Rail Link to Heathrow – commercial strategy update</u></b></p> <p>Paper 38/19 provided an update on the Outline Business Case and new anticipated final cost for the Western Rail Link to Heathrow.</p> <p>The Board asked for clarity on its role in this programme on the basis that the DfT had commissioned the work and was paying for it; Network Rail was delivering the work.</p>	Jeremy Westlake
19/76	<p><b><u>Delegated Authority – one level up reporting</u></b></p> <p>The Board discussed paper 39/19.</p> <p>It was <b>AGREED</b> that future narrative reports would be prepared, outlining what the committees and panels had approved and any emerging trends or concerns.</p> <p>It was also <b>AGREED</b> that the Board would receive an annual summary of post-implementation reviews, highlighting what went well and what did not, the lessons learned and how those had been or were being embedded across the business.</p>	Jeremy Westlake  Jeremy Westlake
19/77	<p><b><u>Any other business</u></b></p> <p>1. <u>RAIB Report – collision at London Waterloo</u></p> <p>The Board asked for an update on how Network Rail was addressing the recommendations made in the RAIB report (published November 2018) into the train collision at London Waterloo.</p> <p>2. <u>Business Briefings 2019</u></p> <p>The programme of Business Briefings had been circulated. Non-executive Directors had been invited to attend meetings where possible.</p>	Jon Shaw
<p>There being no further business the Chair closed the meeting.</p> <p>.....</p> <p>Chair</p>		