

**MINUTES OF A MEETING OF THE BOARD  
OF  
NETWORK RAIL LIMITED  
held at Basingstoke Campus, Gresley Road, Basingstoke RG21 4FS  
on  
Wednesday, 22 February 2017 from 10:30am**

<b>Present:</b>	Sir Peter Hendy (Chair)	Chris Gibb
	Rob Brighthouse	Silla Maizey
	Richard Brown	Michael O'Higgins
	Mark Carne	Bridget Rosewell
	Sharon Flood	Jeremy Westlake

**In attendance:** Suzanne Wise – Group General Counsel & Company Secretary  
 Stuart Kelly – Deputy Group General Counsel  
 Anthony Odgers - UKGI observer  
 Becky Lumlock (min 17/26)  
 Barney Wyld (min 17/27)  
 Phil Hufton (mins 17/28 & 17/29)  
 Richard Schofield and John Halsall (min 17/29)  
 Martin Frobisher and Patrick Cawley (mins 17/31)  
 Chris Montgomery (mins 17/32)  
 Richard Schofield and Janice Crawford (min 17/38)

**Apologies:** None

**MINUTE  
NO.**

**ACTION**

**17/21 CHAIR'S REMARKS**

The Board hosted an event and discussion the evening before the meeting on third party funding and development opportunities associated with the GB rail infrastructure. The discussions were useful and it was clear there were significant market opportunities, although they had highlighted the challenges to progressing opportunities through the relevant governance processes. It was agreed the Property Supervisory Board would look again at the approvals and governance processes generally. Opportunities in the London area were discussed. The Board considered it would be worthwhile arranging similar meetings for other major conurbations.

**CG**

The status of the industrial relations between GTR and the trades unions was discussed and noted.

The conclusion of the collective bargaining for Network Rail band 5-8 employees and the agreement of the 2017 pay award for those bands was welcomed.

The progress of devolution was discussed. Whilst significant progress had been made there were some stakeholders whose awareness wasn't as deep as it could have been. It was important to address this. Communications plans were discussed later in the meeting.

The Chair indicated the Nominations Committee's intention to recommend to the DfT the extension of the appointment of Bridget Rosewell to the Board for an additional 3 years. The Board fully supported this recommendation

**17/22 PREVIOUS MINUTES**

The minutes of the meeting of 26 January 2017 were approved, subject to a few minor changes.

**17/23 ACTION LIST**

The Action list was reviewed. It was noted that all actions that were due were either included as an item on the meeting agenda, answered by a note which had been included in the papers or planned to be discussed at the forthcoming Board strategy day save for action 17/03 for which details of the benefit of new legislation was awaited before progressing.

In relation to action 17/05.2 - Programme updates, it was agreed that, in the context of Brexit, all useful derogations from European led specifications would be pursued.

**JW**

**17/24 DIRECTORS' INTERESTS**

Bridget Rosewell was due to be appointed Chair of the Driver & Vehicle Standards Agency on 1 March 2017.

**BUSINESS OPERATIONS**

**17/25 CEO BOARD AND FINANCE REPORT – P11**

Mark Carne presented the Period 11 Board report.

Safety

The Board was briefed on the tragic incident that had occurred on 7 February 2017 at a user worked level crossing at Frampton Mansell. The driver of a road vehicle had been killed. There were no injuries to passengers or crew. The incident was under investigation. The Board extended its sympathies to all who had been affected by this incident.

Train performance

Train performance for P11 was strong in all routes. There had been an improvement in the rates of recovery from incidents. The appointment of COOs in nearly all the routes had been completed and was considered to be pivotal in the continued improvement of train performance. The Board requested details of all the routes' COOs appointed.

**MC  
(Phil Hufton)**

Project performance

Project performance across the portfolio remained positive although late notice that Gospel Oak to Barking electrification would not complete was considered by all to be unsatisfactory. The reasons for the late delivery and late communication, together with the recovery plan were discussed later in the meeting.

Statement of Funds Available (SOFA)

It was reported to the Board that the timing of a SOFA was not known at that time. That being the case Network Rail would develop a comprehensive strategic business plan for submission in December 2017. The process for this was discussed.

System Operator – Future Franchise ITT

The Board welcomed the fact that NR, in its capacity as system operator, would be required to sign – off any ITT for future franchises. This was to be a material strengthening of NR's role as system operator. The precise contractual and regulatory implications of this change were being further considered.

Network Rail's letters of representation made in connection with the South Western and Midlands franchises would be shared with the Board.

**MC  
(Jo Kaye)**

Financial report

The Financial Report was **NOTED**.

**17/26 ROUTE PRESENTATION - WESSEX**

Becky Lumlock presented paper 14/17.

This presentation included the Wessex route's performance, its challenges and opportunities and safety. As Becky Lumlock had only been recently appointed to the role of Managing Director for this route, this presentation provided an opportunity to share her reflections from her first 100 days.

The Board welcomed the enthusiasm and insight that was shared in this presentation.

**STRATEGIC THEMES**

**17/27 COMMUNICATIONS UPDATE**

Barney Wyld presented paper 15/17. This presentation shared the proposed communication strategy for 2017 including key external insights, the role of communications in Network Rail, and the aim of communications in 2017.

The Board was concerned that a more positive message was adopted which explained the importance and success of devolution in driving performance and economy.

The Board requested a further briefing at the May 2017 meeting on the specific plans to communicate progress that had been made with the following topics: (1) devolution; (2) efficiency and (3) programme/project delivery.

**BW**

**17/28 EXECUTIVE PRESENTATION - OPERATIONS**

Phil Hufton presented paper 16/17. This paper provided an operations update and was welcomed. The improvement plans were discussed; this included:

- improving the delay per incident;
- the delivery of efficiencies;
- labour scheduling; and
- the transformation of the route businesses

The Board discussed the implications of the movement towards *a right time railway* means of measuring performance in CP6.

**17/29 THAMESLINK AND CROSSRAIL – 2018 READINESS**

John Halsall presented paper 17/17. This paper provided the Board with an update of the status of the 2018 Thameslink operational readiness and outlined the control and mitigation steps that had been put in place. It was confirmed that such steps would include provision for practice or trial running. The Board asked for further details of the decision points between December 2017 and December 2018.

**MC  
(John  
Halsall)**

The Board welcomed the role of the Thameslink 2018 Industry Readiness Board. The readiness board was expected to meet every 4 weeks. The Board asked for updates of any conclusions or findings made by the readiness board.

**MC  
(John  
Halsall)**

The Board also received a presentation on the readiness for an integrated Crossrail. This included the dependencies for success, the challenges and the risk and the controls and mitigation actions for such risks.

The Board requested a note from the Director of Infrastructure Projects on the status of the Crossrail programme of works.

**MC**  
**(Francis**  
**Paonessa)**

**17/30 CP5 BUSINESS PLAN UPDATE**

Jeremy Westlake presented paper 18/17. The paper provided the Board with an update on the CP5 business plan and the status of the funding position, including asset disposals and the funding challenge. The Board had a detailed discussion on the options and the next steps, including discussion with the Secretary of State and welcomed the approach the Executive were taking to manage the challenge. The Board specifically reviewed areas of potential savings and supported the outline plan.

The Board requested an update of the CP5 business plan and funding at the March 2017 meeting.

**JW**

**APPROVALS**

**17/31 EAST WEST RAIL – GRIP 4 FUNDING**

Martin Frobisher and Patrick Cawley presented paper 19/17.

The Board **AUTHORISED** additional funding in the sums set out in the paper to begin the development of GRIP 4 design work and supporting elements of GRIP5 and GRIP 6 also set out in the paper.

**17/32 CONTRACT AWARD – TRANSPENNINE ROUTE UPGRADE – WEST OF LEEDS**

Chris Montgomery presented paper 20/17.

The Board **APPROVED**:

- The award of the West of Leeds Project Alliance Agreement and its first section of work for the completion of GRIP 3 in the sums set out in the paper.
- Future sectional awards under the Project Alliance Agreement be subject to the appropriate panel gateway process but will be in each case subject to the approval by the Chief Financial Officer.

**GOVERNANCE**

**17/33 PROSECUTION REPORT AND INCIDENT MAP**

The Board **NOTED** paper 21/17.

**17/34 EXECUTIVE COMMITTEE, INVESTMENT PANEL AND PROCUREMENT EXECUTIVE PANEL APPROVALS**

The Board **NOTED** paper 22/17

**COMPANY SECRETARY'S REPORT**

The Board **NOTED** paper 23/17

**17/35 BOARD FORWARD AGENDA**

The proposed March 2017 Board agenda was discussed.

**17/36 DATE OF NEXT MEETING**

The next Board meeting was confirmed for 16 March 2017 in Eversholt Street, London.

**17/37 ANY OTHER BUSINESS**

None

**FOR NOTING**

**17/38 GOSPEL OAK / BARKING**

The Board received a briefing on the status of the Gospel Oak to Barking electrification project. The Board discussed the reasons for the delays to the project and mitigation steps that had been put in place.

The Board was very disappointed by the delay that this project had encountered and the lateness of reports of these delays; although the steps that had been taken to recover, wherever possible, the project and the apology to the public were welcomed.

The Board noted that internal reviews of:

- (1) how the reporting had not reflected the actual progress of the works; and
- (2) the procurement method that had been used

were both in progress.

There was also an evaluation of the likely end timescale and final costs.

It noted that Transport for London's confidence had been damaged by the delays and that there would likely be increased scrutiny of Crossrail Network Rail works as a result.

The Board asked that the results of the reviews and the final estimate of cost and timescale were brought back to the Board as soon as practicable.

**MC  
(Francis  
Paonessa)**

There being no further business the Chair closed the meeting.

..... CHAIR