

Official-sensitive

**Minutes of the meeting of the Board**  
**held on Tuesday 22 October 2019 from 09:00**  
**at York Route Operating Centre, Cinder Lane, York, YO26 4AB**

<b>Present</b>	Sir Peter Hendy (Chair) Rob Brighthouse Richard Brown Sharon Flood Chris Gibb Andrew Haines	Silla Maizey David Noyes Mike Putnam (min 19/165 to min 19/180) 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 Jo Kaye (min 19/171) Rob McIntosh (min 19/172 & 19/173) Tim Shoveller (min 19/172 & 19/173)) Nick King (min 19/175) Anit Chandarana (min 19/177) Charles Robarts (min 19/177)	
<b>Apologies</b>		

No.	Item	Actions
19/165	<p><b><u>Safety briefing</u></b></p> <p>The Board was briefed on the health, safety and emergency evacuation procedures for the York Campus.</p>	
19/166	<p><b><u>Chair's remarks</u></b></p> <p>Amongst other things, the Board discussed:</p> <ul style="list-style-type: none"> <li>• a government grant made to the National Railway Museum in York to aid their expansion plans.</li> <li>• Doug Oakervee's review of HS2, which was coming to a conclusion. His report was expected to be finalised shortly.</li> <li>• the proposed redevelopment of Euston station (conventional and HS2) and the surrounding area.</li> <li>• the DfT's "Rail network enhancements pipeline: autumn 2019 update" published on 16 October 2019.</li> <li>• that two Network Rail colleagues had been recognised in The Financial Times' ranking of the top 100 Most Influential Women Leaders in Engineering – United Kingdom (UK) and Europe:                         <ul style="list-style-type: none"> <li>○ Bridget Rosewell CBE, senior independent director, and</li> <li>○ Loraine Martins MBE, director of Diversity and Inclusion.</li> </ul> </li> <li>• that Anit Chandarana, business planning and strategy director, had become the first Network Rail colleague to be listed on Green Park's black, Asian and minority ethnic (BAME) 100 Business Leaders index.</li> </ul>	

	<ul style="list-style-type: none"> <li>the National Infrastructure Commission (NIC) was monitoring the outputs from the Oakervee Review into HS2. The NIC was also interested in wi-fi and the use of telecoms along the railway.</li> <li>Network Rail would consider how it could utilise the NIC's broader perspective and insight on infrastructure as a whole.</li> <li>work on the East West Rail (EWR) programme was progressing. EWR Company and Network Rail agreed the preference for the use of digital signalling on this route, and would prepare the necessary costings.</li> <li>progress was being made on the essential Thameslink works ahead of the London Kings Cross remodelling works.</li> </ul>	
<b>19/167</b>	<p><b><u>Minutes of previous meetings</u></b></p> <p>Subject to a minor amendment, the minutes of the Board meeting held on 17 September 2019 were approved.</p> <p>The Board was updated on the progress being made to secure the access needed to carry out routine inspections of the arches which had been sold to The Arch Company.</p>	
<b>19/168</b>	<p><b><u>Action list</u></b></p> <p>The Board reviewed the action list.</p>	
<b>19/169</b>	<p><b><u>Directors' interests</u></b></p> <p>Richard Brown reported that he had been appointed to chair the new RDG sponsored East Midlands Performance Board.</p> <p>Chris Gibb reported that following his retirement from the Network Rail Board on 30 November 2019 he would become employed as a strategic adviser by Transport for Wales.</p>	
<b>19/170</b>	<p><b><u>Board Report</u></b></p> <p>The Chief Executive discussed with the Board:</p> <ul style="list-style-type: none"> <li>a video showing a near miss with track workers in Kent, four weeks after the Margam tragedy. The video included an interview with the track workers involved, who were commended for their honesty when speaking about the incident and how it had affected them.</li> <li>the three Transport and Works Act Order applications for the bulk closure of level crossings in Essex, Suffolk and Cambridgeshire were still under review with the Inspector's report having been delivered to the Secretary of State. The Board was keen for the Secretary of State to make a prompt decision once each report is received.</li> <li>whether some unsafe working practices had become custom and practice amongst front line workers in certain areas. Steps were being taken to understand if this was the case. If so, it required a cultural, behavioural and mindset shift that went to the heart of longstanding behaviours.</li> <li>a recent meeting with the families of the two colleagues who had lost their lives at Margam.</li> <li>an inspiring discussion between Tina Hughes MBE and the Executive Leadership Team. Ms Hughes' daughter, Olivia Bazlinton, had died alongside her friend</li> </ul>	

	<p>Charlotte Thompson at Elsenham station level crossing in December 2005. Ms Hughes had since worked with Network Rail to raise awareness of level crossing safety and to help develop better level crossing risk management assessment tools.</p> <ul style="list-style-type: none"> <li>• that the Safety Health &amp; Environment Committee would receive a note about what had been agreed with the ORR about the Improvement Notices they had issued post-Margam.</li> <li>• train service delivery was still not good enough, particularly for West Midlands Trains and South Western Railway passengers.</li> <li>• concerns about shortcomings in supplier management specifically on Crossrail and the Great Western Electrification Programme (GWEP). Amongst more diverse causes was a clear theme around shortcomings in supplier management. This was being addressed. A paper would be provided to the Audit &amp; Risk Committee with more details.</li> <li>• the Board asked to see the capital delivery organisation model being followed in the Regions, setting out the key roles and accountabilities within that model. The Board also wanted to understand what early warning indicators would be in place.</li> <li>• the paper on the Core Valley Lines divestment had been withdrawn from the agenda, and an update paper was distributed to the meeting. The Board would be further updated on this matter as discussions progressed.</li> <li>• the <i>Capital Projects Efficiency Challenge</i> would be discussed in further detail at the next Board meeting.</li> <li>• The Board was pleased to see that Network Rail's Fair Culture process was being reviewed and looked forward to hearing the outcome of that review.</li> </ul>	<p>Jeremy Westlake</p> <p>Jeremy Westlake</p> <p>Andrew Haines</p> <p>Andrew Haines</p>
<p>19/171</p>	<p><b><u>Timetable update</u></b></p> <p><i>Jo Kaye joined the meeting</i></p> <p>Paper 106/19 provided an overview of the introduction of the May 2019 timetable and an update on preparations for the December 2019 timetable change. The Board discussed:</p> <ul style="list-style-type: none"> <li>• that the May 2019 timetable change had been introduced without significant timetable related disruption to passengers.</li> </ul> <p>However, West Midlands Trains, Virgin West Coast and South Western Trains all saw a fall in their Public Performance Measure and Right Time performance in the two months after the timetable change. The reasons for the drop in performance had been identified but addressing them would be complex and only partially in Network Rail's gift;</p> <ul style="list-style-type: none"> <li>• readiness for the timetable change, and the continuation of the PMO deep dives with various stakeholders;</li> <li>• several minor issues that were being worked through. If they remained unresolved by December 2019 they were not expected to cause passenger disruption on the scale of May 2018;</li> <li>• how some roles in the capacity planning team had been tasked with searching out potential capacity in the timetable. However, although some capacity could be identified, train and freight operating companies were not obliged to consider for those paths.</li> </ul>	

	<p>An added complexity was that when looking for capacity say, in the constrained Manchester area, it quickly became clear that associated changes would be required in other areas such as Leeds, York, Birmingham, etc.</p> <p>It was noted that in some areas certain trains, particularly at the weekends, were routinely cancelled; and</p> <ul style="list-style-type: none"> <li>that the System Operator Advisory Board was working well and had been helpful by not only providing challenge to the System Operator team's thinking, but also in supporting the team's call for limiting the number of late notice requests for changes to the timetable.</li> </ul> <p>This meeting was Jo Kaye's last attendance at a Board meeting before she left the business. The Board thanked Jo for her contribution to Network Rail in a number of roles, and wished her well for the future.</p> <p style="text-align: center;"><i>Jo Kaye left the meeting</i></p>	
19/172	<p><b><u>Regional review - Eastern</u></b></p> <p style="text-align: center;"><i>Rob McIntosh and Tim Shoveller joined the meeting</i></p> <p>The Board reviewed the Eastern Region with Rob McIntosh, Regional Managing Director (paper 95/19).</p> <p>Amongst other things, the Board discussed:</p> <ul style="list-style-type: none"> <li>'red zone' working on the Eastern Region, both before and after the tragic accident at Margam. 'Red zone' working was more prevalent in Anglia route than in the former LNE &amp; the East Midlands routes.</li> </ul> <p>Working practices were changing, which had begun to reduce the amount of 'red zone' work undertaken. Outstanding activities were being monitored to make sure a rise (in outstanding work) was not the consequence of the reduction in red zone working. They were being reviewed and where possible rescheduled to be done in 'green zone' access.</p> <ul style="list-style-type: none"> <li>the complex and diverse profile of the Eastern Region, which included six of the 20 busiest railway stations, eight airports, 13 ports, more than 100 local authorities and over 200 Members of Parliament. The Region served both commuters and long-distance passengers.</li> <li>the introduction of a "static frequency converter" on the ECML, the first of its kind in the UK, that had recently 'gone live'. This was expected to negate increased energy consumption and therefore reduce carbon emissions and the cost of electricity supply that would otherwise be incurred.</li> <li>progress on delivering the CP6 efficiency challenge set for the Eastern Region, and the need to better articulate the efficiencies being achieved.</li> </ul> <p>It was acknowledged that the Regional structure would cost more, as capacity and capability was created to deliver the Regions' business plans. However, there should be some central headcount reduction with the shift from central support functions to the Regions. The Board asked to see, in due course, the movement in headcount from the centre to the regions and routes and how this would develop during CP6.</p> <ul style="list-style-type: none"> <li>Cost control on capital projects was being closely monitored. Many projects were at a relatively early development stage, and the estimated costs were being challenged. The Board was pleased to hear about the sharing of knowledge and</li> </ul>	Pauline Holroyd

	<p>lessons learned across teams, with colleagues being eager to learn from one another. This was being helped by regular meetings of the Capital Delivery Directors.</p> <ul style="list-style-type: none"> <li>• readiness for the planned Christmas 2019 engineering works across the Eastern Region. The required plant had been secured, and almost 90% of the required workers had been booked.</li> <li>• an initiative taken by Network Rail and LNER, both owned by Government, to address concerns that the Schedule 8 regime was not driving the right behaviours to deliver for passengers. Rather than essentially pay money from one part of Government to another, it had been agreed that a fund of Schedule 8 payments would be held (capped at £10m). These monies would be drawn down to invest in delivering improvements for passengers. The Board commended this initiative and asked to see the full paper supporting this work.</li> <li>• that a small team had been established within the Region to work on implementing digital train control systems. This team was tasked with finding new and innovative solutions. It was able to draw on the technical or procurement expertise of the central functions.</li> </ul>	<p>Rob McIntosh</p>
<p>19/173</p>	<p><b><u>First Impressions – NR and NW&amp;C</u></b></p> <p>Having read paper 96/19, the Board discussed Tim Shoveller's first impressions on joining Network Rail as Regional Managing Director for North West &amp; Central.</p> <p>Whilst the NWC Region was geographically smaller than the Eastern Region it ran over 5,400 train services a day, on 4,500 miles of track, and serving 571 stations. The Region had a larger employee base than some other Regions. Unlike others it employed over 1,000 works delivery staff. The Region had responsibilities for accommodating works by both HS2 and East West Rail.</p> <p>The Board discussed the key principles behind the organisational design of NWC. The Routes within NWC would be accountable and responsible for maintenance, operations and renewals. They would own the relationships with Network Rail's central functions, the train operating companies and other local stakeholders.</p> <p>Past problems created by accountability for maintaining the infrastructure not being coupled to the overall financial incentives and disincentives were being addressed. The asset management and maintenance delivery teams were being combined.</p> <p>The re-signalling work around Birmingham New Street had been deferred from CP5 to CP6. Proposals had been developed to minimise the passenger impact, albeit that would mean deferring the commissioning of this work by a year. This was an example of a review which had put passenger impacts at the heart of decision making. Initial indications were that by re-planning work costs would also be reduced.</p> <p>Several differences between working for Network Rail as compared to a TOC owning group were discussed, covering safety culture, having clear role accountabilities, bringing asset classes (e.g., signalling, track) together for total railway modelling, the need to understand what each pound spent delivered, and relationships with employees and the trades unions.</p> <p>The Board discussed the 'Rail in the North' organisational model, which was designed to bring together a small cross-Regional team for delivering works in the North. This initiative was in its early stages, and stakeholders were still agreeing how this team would work, what would be delivered, which projects were funded or unfunded and which were in development. This would include an explanation of the benefits of programmes for the passenger and freight users. The team would also facilitate conversations about future aspirations for the railway in the North.</p>	

	<i>Rob McIntosh and Tim Shoveller left the meeting</i>	
<b>19/174</b>	<p><b><u>National Rail Passenger Survey – Spring 2019 results</u></b></p> <p>Paper 97/19 summarised the key results of the Spring 2019 National Rail Passenger Survey results and set out what Network Rail was doing to address the findings of that survey.</p> <p>In summary, 83% of passengers were satisfied with their journey, up three percentage points on Spring 2018. Satisfaction was highest in Wales &amp; Western, North West &amp; Central and Scotland. Satisfaction was lowest in Southern, albeit its satisfaction score had increased the most since Spring 2018.</p> <p>Western route was the highest scoring for passenger satisfaction. South East route achieved the most significant improvement in passenger satisfaction, up by seven percentage points. No route saw a significant decline in passenger satisfaction.</p> <p>The key drivers of passenger satisfaction were punctuality and reliability, cleanliness of trains and frequency of trains. The key driver of passenger dissatisfaction was how delays were handled/communicated.</p> <p>For Network Rail managed stations, Reading received the highest passenger satisfaction score (94%), with Clapham Junction scoring lowest (71%). The biggest improvements in satisfaction were seen at Liverpool Lime Street, London Bridge and London Charing Cross. Two stations received significant drops in passenger satisfaction, Manchester Piccadilly and Leeds.</p> <p>The Board reviewed the Regions' station improvement plans. The most consistent areas being improved were: the provision of seating (separate from those in food outlets), the availability of wi-fi and improved toilet facilities.</p>	
<b>19/175</b>	<p style="text-align: center;"><i>Nick King joined the meeting</i></p> <p>Nick King shared his first impressions, having recently joined Network Rail (paper 98/19).</p> <p>The Board discussed:</p> <ul style="list-style-type: none"> <li>• how the National Task Force approach had failed to address the decline in train service delivery. The new National Performance Board, with an independent chair, would take a whole system approach, and would seek insight rather than data;</li> <li>• how behaviours of some track workers suggested they were not truly invested in securing their own safety, as identified earlier in the meeting;</li> <li>• that while Network Rail had talented people who were willing and hard-working, they did not feel empowered and clear leadership was sometimes not visible; and</li> <li>• that office-based employees were often seen as too remote from front line workers and the railway. The Regions often considered central functions too remote, lacking in sufficient depth of knowledge, slow and not reactive, and not serving their customers well enough.</li> </ul> <p>The Board asked what could be done to address passenger dissatisfaction with the way delays and cancellations were handled. Nick King viewed the problem as resulting from people across the industry owning separate elements of the system but not being able to sufficiently influence the whole system. There was a need to have someone dedicated to pulling these elements together in order to address this driver of</p>	

	<p>passenger dissatisfaction. It would take at least 12 months to make any significant difference. The ORR was aware of Network Rail's work in this area.</p> <p>Referring to the Inventory Assessment contained within paper 98/19, the Board asked whether too many initiatives were being worked simultaneously, meaning that insufficient focus was being given to the important ones. This was acknowledged, with 20 initiatives having been identified as needing to be delivered immediately. The Board asked that the benefits being delivered be monitored and reported on at least annually.</p> <p>The Board discussed how the relationship between the Routes and Network Services would change in the medium term. This would largely be achieved by appointing the right people into the right roles, ensuring they were operationally credible and compassionate. The culture of Network Services had to be that they were working to make their Route colleagues' jobs easier. Nick King and Mark Langman were working together to create a climate of co-operation that allowed the knowledge of front-line workers to be captured.</p> <p>The Board thanked Nick King for this clear and helpful presentation and wished him well in his new role.</p> <p style="text-align: center;"><i>Nick King left the meeting</i></p>	
<b>19/176</b>	<p><b><u>CFO Directorate - update</u></b></p> <p>Paper 99/19 provided an update on the CFO's Directorate, the key workstreams being undertaken and the goals to be achieved in CP6.</p> <p>The primary goal was to achieve a strong financial start to CP6 by supporting the Putting Passengers First programme, supporting the Williams Rail Review, embedding Network Rail's Open for Business initiative and navigating various government requirements of Network Rail.</p>	
<b>19/177</b>	<p><b><u>Williams' Review - update</u></b></p> <p style="text-align: center;"><i>Anit Chandarana and Charles Robarts joined the meeting</i></p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p style="text-align: center;"><i>Anit Chandarana and Charles Robarts left the meeting</i></p>	<p>[REDACTED]</p>

19/178	<b><u>Committee update – ARC</u></b>	The note summarising the key points from the September 2019 Audit & Risk Committee meeting was noted.
19/179	<b><u>Environmental Sustainability Advisory Committee</u></b>	<p>The Board discussed paper 101/19, in connection with the new Environmental Sustainability Advisory Committee (ESAC).</p> <p>An initial meeting of those interested in the formation of ESAC had made several recommendations to the Board, as set out in paper 101/19.</p> <p>Following discussion the Board:</p> <ol style="list-style-type: none"> <li>1. <b>AUTHORISED</b> the Group General Counsel to finalise both the ESAC and Safety, Health and Environment Committee terms of reference, substantially in the form presented to the Board;</li> <li>2. <b>APPOINTED</b> Sharon Flood as Chair of ESAC; and</li> <li>3. <b>APPOINTED</b> David Noyes, Mike Putnam and Rob Brighthouse as members of the Committee. Other interested parties will be invited to attend meetings with the prior agreement of the ESAC Chair.</li> </ol> <p>A training session was being held on 10 December 2019, followed by the first formal ESAC meeting.</p>
19/180	<b><u>Prosecution report</u></b>	<p>The Board noted paper 102/19.</p> <p style="text-align: center;"><i>Mike Putnam left the meeting.</i></p>
19/181	<b><u>Company Secretary's report</u></b>	<p>Having considered paper 103/19 the Board:</p> <ol style="list-style-type: none"> <li>1. <b>APPROVED</b> the reappointment of Silla Maizey for a further three year term, subject to receiving the Secretary of State's consent;</li> <li>2. <b>APPROVED</b> an adjustment to the terms of appointment of Chris Gibb and Bridget Rosewell such that they ended on 30 November 2019 and 31 January 2020 respectively;</li> <li>3. <b>AUTHORISED</b> the Property Supervisory Board to seek independent professional advice at the reasonable expense of Network Rail, and that the Supervisory Board's terms of reference be amended accordingly; and</li> <li>4. <b>RATIFIED</b> the use of the Company's seal as set out in the paper.</li> </ol>
19/182	<b><u>Future Board agenda planning</u></b>	The Board reviewed the draft November agenda and forward plan.
19/183	<b><u>Delegation of Authority - approvals</u></b>	The Board reviewed paper 105/19.



19/184	<u>Any other business</u> None.	
<b>Date of next meeting: 29 November 2019</b>		
<p data-bbox="129 376 438 409">/s/ Sir Peter Hendy CBE</p> <p data-bbox="129 465 215 499">..... Chair</p>		