Minutes of the meeting of the Board
held on Tuesday 21 January 2020 from 09:45
at One Eversholt Street, London NW1 2DN

**Present**
- Sir Peter Hendy (Chair)
- Rob Brighouse
- Richard Brown
- Sharon Flood
- Andrew Haines
- David Noyes (min 20/01 to min 20/04 only)
- Mike Putnam
- Bridget Rosewell
- Jeremy Westlake

**In attendance**
- Michael Harrison, UKGI observer
- Stuart Kelly, Group General Counsel & Company Secretary
- Helen Martin, Senior Assistant Company Secretary
- Caroline Murdoch, Director, Corporate Communications
- Sejal Patel, observer
- Paul McMahon (min 20/02 only)
- Conrad Bailey, DFT (min 20/03 only)
- Anit Chandarana (min 20/03 only)
- Charles Robarts (min 20/03 only)
- Keith Williams (min 20/03 only)
- Doug Oakervee (min 20/04 only)
- Nick Millington (min 20/06 only)
- Kay Horne (part of min 20/07 only)
- Simon Pugh (part of min 20/07 only)
- Andy White (min 20/07 only)
- Martyn Angus (min 20/08 only) (by phone)
- Eoin O'Neill (min 20/08 only) (by phone)
- Stuart Calvert (min 20/09 only) (by phone)
- Mark Langman (min 20/09 only) (by phone)
- Francis McGarry (min 20/09 only) (by phone)
- Martin Frobisher (min 20/10 only) (by phone)
- Wendi Wheeler (min 20/10 only) (by phone)

**Apologies**
- Silla Maizey

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<th>No.</th>
<th>Item</th>
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<td>20/01</td>
<td><strong>Board Report</strong></td>
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The Chief Executive discussed with the Board:

1. two serious safety incidents that had occurred with contractors during the Christmas 2019 engineering works. At Kensal Green a colleague suffered severe burns having come into contact with live overhead line equipment. At Paddington a colleague fell from a scaffold tower. Both incidents were being investigated.

   The Board was very concerned to hear about these incidents, and wished both colleagues a good recovery.

2. the Christmas and New Year engineering works more generally which, other than the safety incidents above, had gone well. A 20,000 strong workforce had worked to deliver 400 projects across the country.

   Works delivered included, amongst other things:
   - the construction of a brand new platform at Leeds station;
   - major upgrade works at London King’s Cross station; and
   - replacement of track in Tring and Crewe stations.
These works would help to improve connectivity, capacity and reliability for passengers.

The Board, noting that these were the first major bank holiday works since capital works had been devolved to the Regions, thanked everyone who had contributed to the successful delivery of the engineering works over the festive period.

3. the implementation of the December 2019 timetable change. Despite some challenges on the first day, relating to predicted shortage of train crew, the large scale changes on the Western route had gone smoothly and performance was ahead of target.

There had been some modest improvement in the performance of West Midlands Trains.

However, TransPennine Express had cancelled a large number of trains when the new timetable was introduced. The main contributor was driver and train crew training related to the introduction of new rolling stock. Concerns repeatedly flagged before the introduction turned out to have been accurate.

4. The ORR had written a very balanced letter about train performance to Network Rail. Regrettably however, the associated press release from the ORR had been skewed and did not reflect the tone and content of the letter sent to Network Rail.

5. work was continuing on the May 2020 timetable change, with weekly progress reviews. Several potential issues had been identified and were being worked through with the relevant parties.

6. that there would be a post-completion project benefits review of the whole system which included the electrification programme on the Western route. The Board asked that in addition to reporting on the benefits for passengers and freight and the cost of the programme, the review also considered the wider socio-economic benefits that were delivered by the programme. This review would be shared with the Board in due course.

7. the works to repair an embankment in the Southern Region. On 22 December 2019 between Godstone and Edenbridge stations, track was left unsupported when the embankment on which it sat was washed away after a month’s worth of rain fell in one week and the Riven Eden breached its banks. Teams were working around the clock to repair the damage, which involved removing the collapsed embankment, and replacing it with 3-4,000 tonnes of aggregate.

8. the status of some train operating company franchises.

9. the Company’s work (internally, with external stakeholders and specialist charities) on managing rough sleeping in and around its managed stations.

The Chief Financial Officer discussed with the Board:

10. financial performance in the period.

11. delivery of efficiencies was on track for the full year. The ORR had published its efficiencies report in December 2019, stating that Network Rail was in a stronger position for CP6 than at the start of CP5.

The Board asked to see a communications plan for briefing on the work being done on capital delivery.
12. the structure of the capital delivery centre of excellence, aimed at improving capital delivery by Network Rail, had been reviewed by an advisory board with the support of Rob Brighouse and Mike Putnam. Carbon efficiencies embedded in capital delivery work would be discussed with the Director of Infrastructure Projects.

Huw James

13. enhancements spend across CP6 was being closely managed. Focus was being given to the work that needed to be done in Year 2 of CP6 to facilitate enhancements spend in Year 3.

The allocation of risk funds would be more detailed, with a prioritised list of how this money could be utilised if it was not used to mitigate the effects of a risk materialising.

Jeremy Westlake

14. how the reforecasting process included delivery of carbon reduction targets. This would be presented at RF11. In the meantime, the Regions and Routes needed more resources to understand and deliver this category of efficiencies.

15. how the Enhancements Portfolio Board was working, and the purpose of the Definition Board. Given the extended timelines in the rail industry for defining and planning programmes of work, consideration would be given to how best to extend the current five year time horizons to at least a 10 year outlook, and to make the process more dynamic.

The Chair reflected that the current Board Report represented the significant change in the quality and dynamism of what was being done in Network Rail. The challenge was for this to be reflected throughout the organisation, at all levels.

The Board asked for an update on how well the structure and cohort of Route Directors was functioning.

Andrew Haines

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<th>20/02</th>
<th>Implications of the new government for rail investment</th>
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<td>Paul McMahon joined the meeting.</td>
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The Board discussed paper 01/20 which considered the implications for future rail investment following the formation of a new government in December 2019. The Chancellor’s UK Budget was set for 11 March 2020.

The paper recognised that the Government’s plans and priorities would be influenced by (i) commitments already made to invest in the Midlands and North, (ii) local, city and regional elections to be held in May 2020, 2021 and 2022, and (iii) wider rail issues such as the Williams’ Rail Review.

The Board noted that Network Rail was considering the list of projects that could be progressed through the early stages of the project lifecycle. The Board asked:

- that Network Rail considered what could really be delivered over the relevant timescales;
- that the list of projects was considered in the context of previously prioritised lists so that changes were understood and justified;
- where the intersection was between (i) projects that the rail industry might consider a priority, and (ii) projects that might be considered a political priority; and
- the list be assessed against commitments for rolling stock and station re-openings or redevelopments; and
- showing schemes by parliamentary constituency would be helpful.

The Board asked that consideration be given to stakeholder engagement on this. It would be helpful for Network Rail to have the support of other interested parties in any discussions with government, so that approved programmes could progress without undue delay, and that all parties understood the costs, dependencies and implications of the programme.

Paul McMahon
Paul McMahon left the meeting.

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<th>20/03</th>
<th><strong>Williams' Review - update</strong></th>
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<td>Conrad Bailey, Anit Chandarana, Charles Robarts and Keith Williams joined the meeting.</td>
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<td>Paper 02/20 had updated the Board on recent developments on the Williams' Rail Review.</td>
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Anit Chandarana and Charles Roberts left the meeting.

20/04 Oakervlee Review into HS2 - update

Doug Oakervlee joined the meeting.

Doug Oakervlee said that while his report had not been published he would outline, insofar as he was able to at that moment, what had been done and the current status of his report.

Costs for the project had grown substantially. This brought into question (i) whether the project was affordable; and (ii) whether or not the business case and the cost:benefit ratio made sense. The Oakervlee Review was tasked with making recommendations, so Government could decide whether or not to continue with HS2.

The key findings of the review were outlined. These highlighted some important lessons for HS2, the DfT and Network Rail.

It was currently expected that the Review would be published in early February 2020.

The Board discussed the redevelopment around Euston station. The preference was for a single station to be used by both HS2 and Network Rail. However, technical issues had been encountered that had not yet been resolved.

David Noyes and Doug Oakervlee left the meeting.

20/05 Chief Executive's reflections on the Williams' and Oakervlee Reviews

The Chief Executive reflected with the Board on the sessions with Keith Williams and Conrad Bailey, and with Doug Oakervlee.

20/06 Safety Task Force - update

Nick Millington joined the meeting.

Paper 03/20 provided an overview of the Safety Task Force’s priorities and assessed its progress in the months since it was formed. The purpose of the Task Force was:

- to reduce significantly the risk of track workers being involved in accidents or near misses with trains;
- to eradicate working under unassisted lookout protection (without transferring operational risk to other parts of the business);
- to deploy and plan the use of adequate technology to protect against signaler error and human factors associated with manual warning; and
- to deliver the improvements set out in the ORR notices.

In particular the Board discussed:

1. that the lack of complete and consistent data had contributed to the failure to plan and deliver safe work packages; this lack of data was being addressed and had already helped inform and deliver safer working practices;
2. the improved insight into safer ways of working already being gleaned from analysis of more reliable and better quality data; not all of the anecdotal assertions were corroborated by the data;

3. the need to recognise how much work was done on the network during the day, when the railway was at its busiest; this was not only maintenance work but included, for example, general patrols, managing vegetation and maintaining / repairing fences;

4. the need to invest time and effort into developing risk based maintenance programmes; it may be appropriate to set joint smart objectives, deliverable by all the parties involved in planning and delivering the work;

5. the importance of working with the Trades Unions on developing and delivering the objectives of the Safety Task Force, and helping employees and contractors to work more safely;

6. that the industry needed to change its safety narrative, to talk in terms of ‘people’ rather than ‘incidents’; and

7. how the work being done by the Safety Task Force was exposing other interesting safety-related insights that had not hitherto been expected.

The Board thanked Nick Millington for his open and honest report, and looked forward to an update on progress.

Nick Millington left the meeting.

### 20/07 Customer Service - update

Kay Horne, Simon Pugh and Andy White joined the meeting.

Paper 04/20 explained that the Customer Experience Programme aimed to make Network Rail an organisation that had the skills, culture and focus to put customers at the core of everything it did. The Programme also recognised that safety was intrinsic to delivering this change programme.

Kay Horne and Simon Pugh gave the Board a taste of the ‘service animals tool’ that was being used to help colleagues understand their preferred customer service approach and the impact that they had on customers, and each other. This was a communications tool. It was evolving as it was being rolled out around the business, based on colleague feedback.

Kay Horne and Simon Pugh left the meeting.

The Board discussed:

- the importance of embedding a customer and safety culture, showing that they could, and indeed had to, go hand in hand;
- the need to make sure that this programme reached those on the front line and in signal boxes, for example, working around their shift patterns;
- whether there was an opportunity to build in something about ‘care’ and how Network Rail cared about its passengers, its people and the environment, etc.; and
- what was being done to measure the impact this work was having across Network Rail.

The Board commended Andy White and his team for this imaginative approach to improving Network Rail’s customer service capability.
### 20/08  East West Rail Phase 2

*Martyn Angus and Eoin O’Neill joined the meeting.*

The Board discussed paper 05/20 which sought the release of funding for critical activities that would maintain the anticipated entry into service dates for the East West Rail Project, and allow Network Rail to continue to challenge and negotiate a Target Cost which it would enter into in Spring 2020.

The Board noted that both electrification and digitisation of signalling were outside the original scope of this work. Options were being developed on such additional scope, in areas where the line was not yet operational.

The Board:

1. **AUTHORISED** the release of the funds as set out in paper 05/20 to deliver key activities on the project’s critical path including further detailed design, seasonal environmental mitigation works, the part deconstruction of Bletchley Flyover and limited land acquisition for temporary and permanent works;

2. **NOTED** the ongoing cost challenges; and

3. **NOTED** that this decision would allow East West Rail Projects to continue with the delivery of GRIP 5 outputs and specific elements of GRIP 6 in periods 1-4 in 2020/21.

*Martyn Angus and Eoin O’Neill left the meeting.*

### 20/09  Great Western Electrification Project (GWEP)

*Mark Langman joined the meeting.*

The Board discussed paper 06/20 which sought re-authority to close out GWEP following the completion of overhead line electrification between Maidenhead, Reading, Newbury, Didcot, Swindon, Chippenham East, Bristol Parkway and Cardiff.

The Board was disappointed to have been asked to approve this re-authority and challenged the team’s confidence that no further funds would be requested. Mark Langman explained how the amount requested had been calculated, that an internal independent peer review and an external independent review of the figures had been carried out. In addition, the Chief Executive and Chief Financial Officer had conducted a deep dive into this request.

The Board **APPROVED** the funds requested to close out GWEP, as set out in paper 06/20. The Board thanked Mark for the clarity of his answers to their questions and paper.

*Mark Langman left the meeting.*

### 20/10  Pathway to net zero carbon emissions

*Martin Frobishcher and Wendi Wheeler joined the meeting.*

The Board discussed paper 07/20 which sought approval of Network Rail’s strategic aims for carbon reduction.

The Board challenged whether the stepped targets went far enough. It was explained that this current request for approval was a point of process leading to a required public declaration. When Network Rail’s more detailed environmental sustainability strategy...
was reviewed later in the year, it was anticipated that approval of more stretching targets would be sought.

The Board stressed the importance of considering the resilience of providing network services when developing the environmental sustainability strategy and setting targets. For example, if the electricity grid failed, would some rail services revert, temporarily, to be powered by diesel generators.

The Board also emphasised the need to link the environmental sustainability work and achievement of targets through to the business planning process.

The Board APPROVED Network Rail's strategic aims for carbon reduction, ENDORSED the adoption of the stepped targets set out in paper 07/20 as the Company's pathway to net zero emissions, and APPROVED the public declaration via the Science Based Targets initiative of a targeted 46% reduction in Scope 1 and 2 (i.e., non-traction) carbon emissions from the end of CP5 levels, by the end CP7 target and implementation of the strategy to achieve that ambition.

Martin Frobisher and Wendi Wheeler left the meeting.

20/11 Committee updates

The Board was updated on recent discussions at the following meetings:
- Environmental Sustainability Advisory Committee; and
- Nomination and Remuneration Committee.

20/12 Company Secretary's report

Having considered paper 08/20 the Board:

1. APPROVED the following appointments, all with effect from 1 February 2020:
   a. David Noyes as Network Rail's nominee on the System Operator Advisory Board;
   b. David Noyes as the chair of the Nomination & Remuneration Committee; and
   c. Rob Brighouse as Senior Independent Director.

2. RATIFIED the use of the Company's seal as set out in the paper; and

3. NOTED that:
   a. meetings of the Business Plan Committee would not be held during 2020;
   b. a number of new property joint venture companies would be created for the development of specific sites; and
   c. all new and existing property joint venture companies would be directly owned by Network Rail Developments Limited rather than Network Rail Infrastructure Limited.

20/13 Prosecution report

The Board noted paper 09/20, which outlined health, safety and environment incidents that gave rise to the likelihood of, or actual, prosecutions.

20/14 Delegation of Authority - approvals

The Board reviewed paper 10/20. The Board asked questions on two items.

On one it was satisfied that sufficient challenge had been made of the costs.

On the other, there was discussion on how the supply chain was being managed to avoid supplier monopolies being created.
20/15 **Board agenda planning**

The Board reviewed the draft 3 March 2020 agenda and forward plan.

20/16 **Chair’s remarks**

As this session had moved to the end of the meeting, there was nothing new for the Chair to discuss with the Board.

However, it was agreed that the recent cyber security session for Non-Executive Directors had been worthwhile.

20/17 **Minutes of previous meetings**

The minutes of the Board meeting held on 29 November 2019 were approved.

20/18 **Action list**

The Board reviewed the action list.

20/19 **Directors’ interests**

Bridget Rosewell declared that she was a director of Midland Expressway Limited, the company that built and now operated the road.

20/20 **Any other business**

1. **Strategy Day – May 2020**
   
   Andrew Haines outlined his proposals for the Board’s Strategy Day in May 2020. The Board AGREED that he should organise the day as he thought was appropriate.

2. **Measurement train**
   
   It had not proved possible to coincide the movements of the Measurement Train with a Board meeting, so Directors were invited to a separate session to learn more about how that train worked. The train was equipped with high-tech measurement systems, track scanners and a high-resolution camera to measure the condition of our tracks and allow us to discover potential problems at an early stage. This enabled Network Rail to predict and prevent faults before they occurred, allowing us to target our efforts where they were most needed.

3. **Bridget Rosewell**
   
   Bridget had been due to retire from the Network Rail Board on 31 January 2020, having served for nine years. However, as the appointment of non-executive directors to replace her and Chris Gibb had not yet been finalised, to provide some cover the Board AGREED to extend Bridget’s appointment for a short while in line with corporate governance guidelines.

   However, as this may have been Bridget’s last Board meeting, Sir Peter Hendy wanted to officially thank her for years of loyal service and her immense contribution to Network Rail. Bridget’s guidance, friendship and challenge would be missed.

**Date of next meeting: 3 March 2020**

.............................................. Chair