

PROPERTY SUPERVISORY COMMITTEE REPORT

The property supervisory board became a committee of the Network Rail Board in 2020.

I'm pleased to present the committee's report into the key activities undertaken during 2020/21, alongside its anticipated activities for 2021/22.

Firstly, I'd like to welcome Mark Bayley CBE to the committee. Mark has spent much of his career in the rail sector. He has particular experience in major projects, restructurings and corporate finance.

The past year has been incredibly challenging for our retailers, tenants and commercial partners. We have been determined to show them support, care and empathy during the pandemic, while they've continued when possible to provide vital goods and services for our passengers, particularly those critical workers who have kept the country moving during the pandemic. In March 2020, we introduced swift and significant financial measures to support retailers in our managed stations and tenants in our commercial estate. These measures have continued throughout 2020/21 and the committee has helped to shape and refine them. We've also engaged with the wider rail sector and Government to ensure our financial measures are commensurate and fair. And we've championed collective approaches and shared lessons learned during an unprecedented crisis for the sector.

We've focussed on devolving Property from a national function to a regional model, as part of our wider programme to put passengers first. This key milestone was achieved in September, with five regional property teams established, each led by a regional property director. They are now supported by a smaller group property team, led by our group property director. Group Property provides services and activities to the regions, as well as delivering some activities centrally for reasons of value add, economic and consistency.

Embedding property expertise within each region will better align the teams to regional objectives and develop strategies that put passengers first. They'll do this by

optimising the use of operational land, generating capital receipts to reinvest in the railway, releasing land for new homes, and improving conditions and access for our frontline staff.

The committee has continued to monitor Network Rail's overall property performance against its strategy for Control Period 6 (CP6). This has ensured property colleagues across the company continued to focus on supporting the regions to deliver activities, put passengers first, develop sites through partnerships, and deliver land for housing. They've also been working with partners to deliver positive railway and community outcomes, and providing great places for businesses and communities to thrive.



Sir Peter Hendy CBE,
chair, property supervisory committee
 15 July 2021

Committee members	Formal appointment to the committee (formerly Property Supervisory Board)	Number of meetings attended during the year
Sir Peter Hendy CBE	December 2019	6/6
Mark Bayley CBE ¹	October 2020	3/6
Neil Sachdev MBE	July 2016	5/6
Stephen Smith	July 2016	6/6

1. Mark Bayley CBE was appointed to the committee on 6 October 2020

Committee attendees

Sir Peter Hendy CBE, chair of the committee, is also the chair of the Board. The chief financial officer, group property director, managing director Southern region, and the general counsel for property normally attend meetings by invitation as well as representatives from the Department for Transport, Treasury and the Infrastructure and Projects Authority. Group and regional property directors also attend meetings by invitation.

Role and responsibilities of the committee

The committee's role is to consider and provide advice upon:

- the long-term vision and strategies for Network Rail property
- regional property related strategies and the management of them, including reviewing the respective regional property directors' business plans
- key risks and opportunities
- the performance of the regional property directors and group property team
- subject to the delegated authority to the committee, make decisions or make recommendations
- consider any other matter specifically referred to the committee by the Board or the executive leadership team.

Principal activities during the year

At each meeting the committee receives detailed property updates for discussion. The group property director provides a written summary of the committee's activities, the main discussion points, findings, and any recommendations to the Board for its next meeting.

Until March 2020 the committee had a programme of site visits in the five regions to tie in with their committee meetings. Due to Covid-19 these visits have been deferred and will be reinstated when it is safe to do so.

Other areas of focus during the year have included:

London & Continental Railway (LCR)

In early 2019 we established a formal collaboration with LCR to explore the potential to redevelop land at and around stations, to deliver land for residential and commercial development, and to generate passenger benefits and money to be reinvested in the operational railway. Updates on the collaboration are given and reviewed at each committee meeting. The chair of LCR attended the September 2020 meeting.

Redevelopment of Euston Station

The committee has reviewed and provided feedback on the key developments underway at Euston station.

Regional Property directors' reports

Following the Putting Passengers First organisational changes, all regional property directors have presented to the committee giving them an overview of regional property strategies, targets and efficiencies.

Planned activities for 2021/22

In the year ahead, the committee will continue to monitor progress on:

- devolution and the regional property model
- workplace optimisation and the use of our office estate
- Covid-19 recovery, particularly retail remobilisation
- collaboration with LCR and delivering land for housing