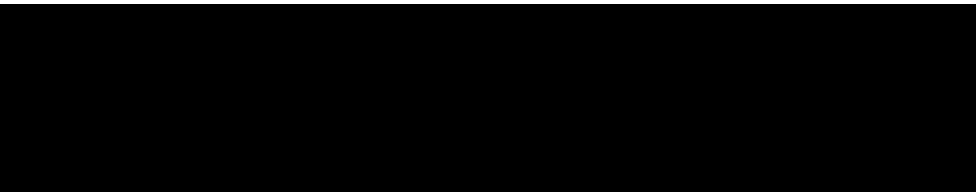
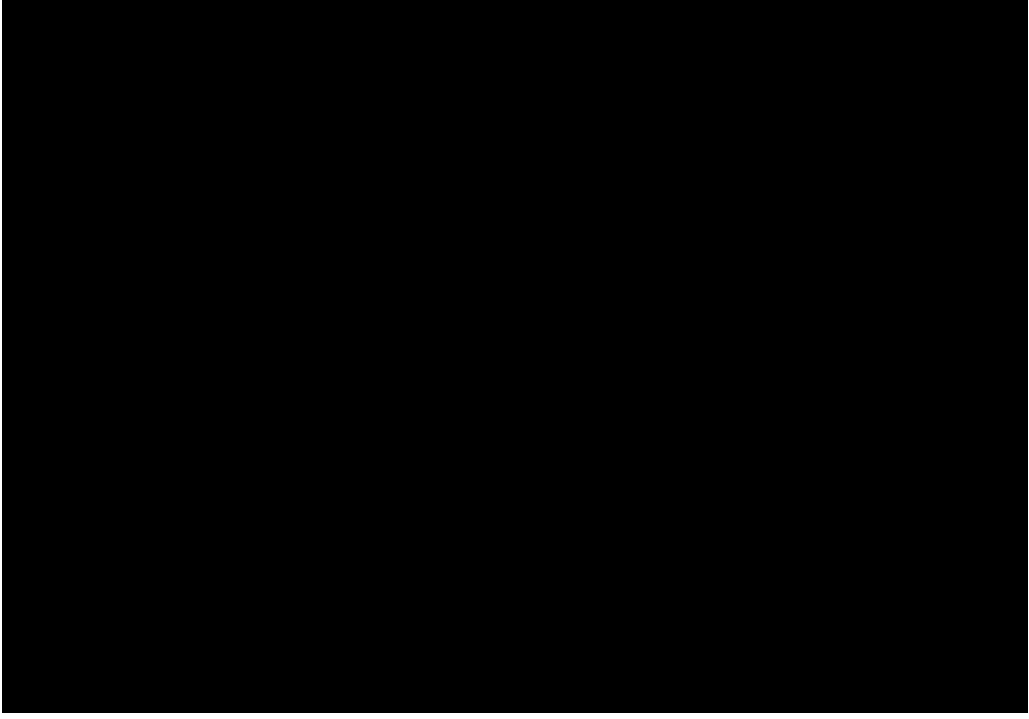



<b>Official-sensitive</b>		
<p style="text-align: center;"><b>Minutes of a meeting of the Board</b>  <b>held on Thursday 1 December 2022</b>  <b>at Ebbw Training Facility, Bideford Road, Newport, Wales, NP20 3BG</b></p>		
<b>Present</b>	Peter, Lord Hendy of Richmond Hill (Board Chair, via Teams) Ismail Amla Mark Bayley Rob Brighouse (Meeting Chair) Stephen Duckworth Andrew Haines	Michael Harrison Silla Maizey David Noyes Mike Putnam Fiona Ross Jeremy Westlake
<b>In attendance</b>	Susan Beadles, Group General Counsel & Company Secretary Louise Kavanagh, Chief of Staff David Leam, Group Director, Communications Helen Martin, Deputy Company Secretary Ben Edwards (minute 22/144) Michelle Handforth (minute 22/145) Pauline Holroyd (minute 22/146) (via Teams) Tim Shoveller (minute 22/146) (via Teams) Jake Kelly (minute 22/147) (via Teams) Alison Smith (minute 22/147) (via Teams) Charley Wallace (minute 22/147) (via Teams) Clive Berrington (minute 22/149) (via Teams) Rob Morton (minute 22/149) (via Teams) Rob Cairns (minute 22/150) (via Teams) Rob McIntosh (minute 22/150) (via Teams) Lorraine Staves (minute 22/150) (via Teams)	
<b>Apologies</b>		
<b>No.</b>	<b>Item</b>	<b>Actions</b>
22/136	<p><b><u>Chair's opening remarks</u></b></p> <p>The Board:</p> <ul style="list-style-type: none"> <li>commended the team on the new Ebbw training facility, particularly Julie Woodward (Programme Director, Route Change) and Loren Curry (Programme Manager);</li> <li>reflected on its discussions with colleagues from Transport for Wales the previous evening. Noted that the two organisations were working well together and that the dichotomy between ambition for the railway and available funding came across very clearly during the discussions;</li> <li>noted that Rob Brighouse had been asked by the DfT and the Infrastructure and Projects Authority to review aspects of the Crossrail organisation, particularly the joint sponsorship aspect of that programme;</li> <li>noted that Silla Maizey's appointment as a non-executive director of Network Rail had been extended until 21 November 2023.</li> </ul>	
22/137	<p><b><u>Minutes of previous meeting</u></b></p> <p>Subject to three minor amendments the minutes of the Board meeting held on 20 October 2022 were approved.</p>	

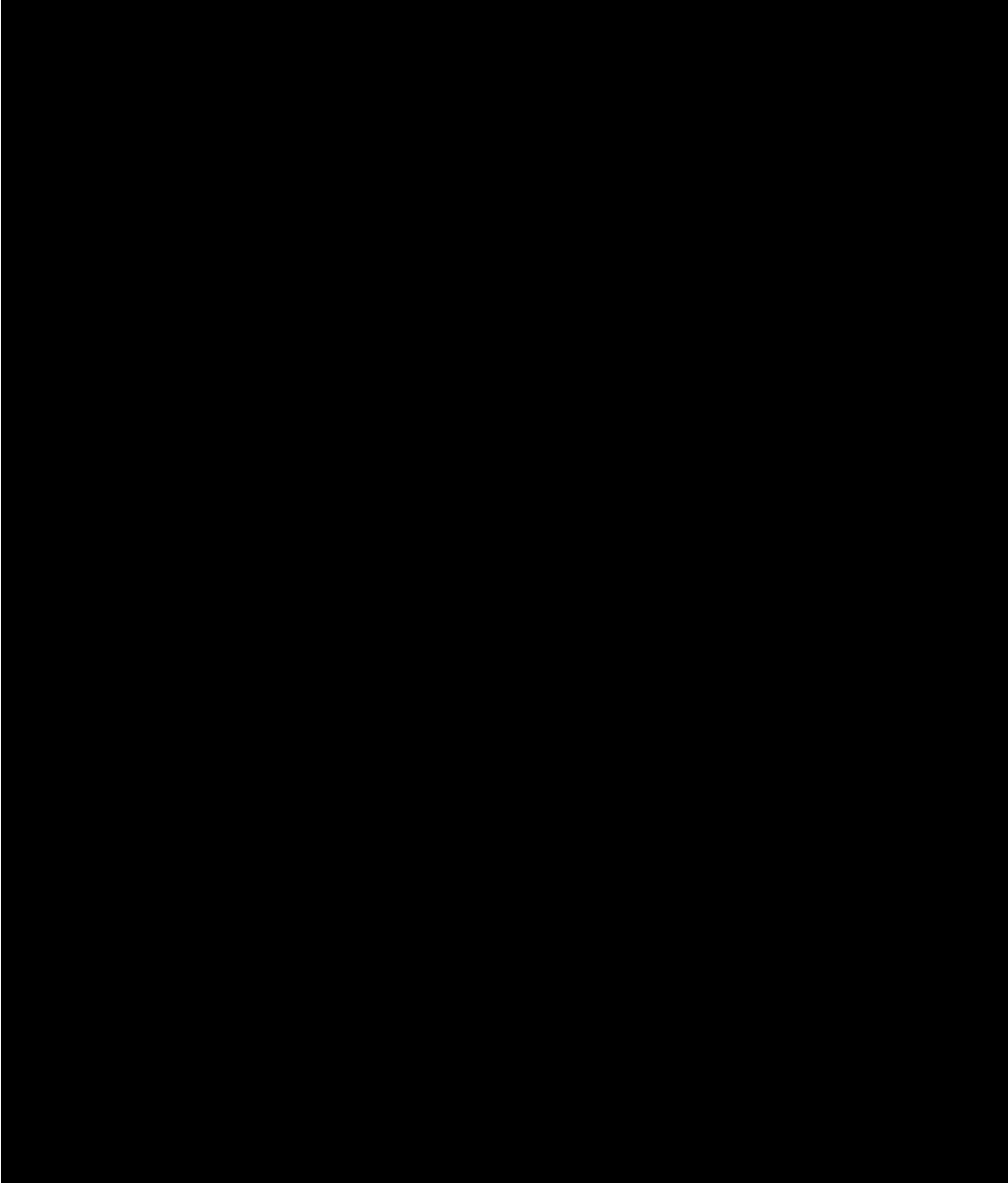
22/138	<p><b><u>Action list</u></b></p> <p>The Board discussed the action list and noted the updates provided. In particular, it was noted that the Safety, Health and Environmental Compliance Committee was updated about the weather-related safety performance action list developed following the Carmont derailment. The update had focussed on the Weather action Taskforce programme and the Committee had requested a further update concentrating on the substantive progress being made.</p> <p>The Board would be updated on proposals, particularly in relation to drainage, once the CP7 Strategic Business Plan was drafted.</p> <p>It was acknowledged that having a plan and funding to address weather resilience was a key imperative across a range of organisations, including a wide range of public services, such as Network Rail, National Highways, the utilities companies and the Environment Agency.</p>	
22/139	<p><b><u>Directors' interests</u></b></p> <p>None.</p>	
22/140	<p><b><u>Board report</u></b></p> <p>The comprehensive Board report was reviewed, and the Board focussed its discussion on:</p> <ol style="list-style-type: none"> <li data-bbox="268 1025 1297 1216">1. </li> <li data-bbox="268 1238 1297 1529">2. <b>Sub-contractor fatality</b>  <p>Sadly, on 3 November 2022 a scaffolding inspector employed by a sub-contractor fell to his death through a skylight on the roof of an industrial unit in Glasgow. The unit was being refurbished for use as a Network Rail Works Delivery location. Network Rail was carrying out a formal investigation into the events surrounding this accident, as was the Health and Safety Executive.</p> <p>The Board expressed its condolences to the scaffolding inspector's family, friends and colleagues.</p> </li> <li data-bbox="268 1552 1297 1731">3. <b>Derailment in Carlisle</b>  <p>On 19 October 2022 a freight train derailed at Petteril Bridge Junction near Carlisle. The train included 14 loaded cement wagons, of which five derailed with one entering the river Petteril. Fortunately, no one was injured. However, substantial damage was caused to railway infrastructure and some of the rolling stock involved. The recovery plan included monitoring the river for signs of contamination.</p> </li> <li data-bbox="268 1753 1297 2022">4. <b>Train service delivery</b>  <p>Train service delivery remained challenging with the number of temporary speed restrictions in place, particularly on Anglia and Central routes. The Executive Leadership Team (ELT) would be reviewing independent reports into the impact of extreme heat on infrastructure and train operations. Given the magnitude of this matter, the ELT's initial focus would be to determine next steps. A key element of the work to be done was to improve Network Rail's ability to predict the likelihood of severe weather impacts to allow appropriate and proportionate actions to be taken.</p> </li> </ol>	

	<p><b>5. Elizabeth line</b> On 6 November 2022 the Elizabeth Line successfully linked the western and eastern stations via the central core. Approximately 3.5 million passenger journeys were made in the first week of operation.</p> <p><b>6. Great British Railways Transition Team</b> This team had just marked its first anniversary and is progressing with the commissions from the DfT. The team comprised people from across the rail industry, with many from train operating companies. It was encouraging to see the diverse thought processes being brought to bear on the Team's work.</p> <p>It was hoped that early in 2023 there would be clarity on the potential timescales for when Parliament might consider a transport bill. The bill was keenly anticipated as it would give a clear sense of direction for the rail industry. This would help to allay concerns about the future that some people working in the industry had.</p> <p><b><u>Chief Financial Officer Commentary</u></b></p> <p><b>7. Regulation</b> The Statement of Funds Available (SoFA) for Control Period (CP) 7 for England and Wales was expected to be published by the Government whilst the Board meeting was underway. As with CP6, this excludes any funds available for enhancements.</p> <p>The SoFA for Scotland was expected to be available in January 2023.</p> <p>The Board thanked the Planning &amp; Regulation team for all its efforts on this important work.</p> <p><b>8. Project Reach</b> Work continued on this project.</p>	
<b>22/141</b>	<p><b><u>Rolling forecast (RF) 6, CP6</u></b></p> <p>Paper 86/22 provided an updated rolling forecast at period 6 of 2022/23, of progress against the Company's plans to deliver for customers in CP6.</p> <p>Overall, the forecast was in line with total CP6 funding available and included the impact of industrial action taken up to the end of October 2022.</p> <p>Inflation continued to increase the costs of running the railway.</p> <p>The assumptions related to pay contained in the business plan were lower than those so far agreed, and therefore had to be funded by delivering increased efficiencies.</p> <p>The Board noted that while the Regions' plans were challenging, there were regular meetings between central and regional finance to ensure that all parties understood and were managing those challenges.</p> <p>The Board <b>APPROVED</b> the RF6 forecast.</p>	
<b>22/142</b>	<p><b><u>Provision of Services Agreement – GBRTT and Network Rail</u></b></p> <p>The Board considered paper 87/22 in respect of the framework agreement between Network Rail Infrastructure Limited (NRIL) and Great British Railways Transition Team Limited (GBRTT) (Agreement).</p>	

	<p>The Agreement set out a mechanism through which NRIL would provide people and support needed by GBRTT, and how those people and services would be paid for.</p> <p>After due consideration, the Board <b>APPROVED</b> the Agreement and <b>DELEGATED AUTHORITY</b> to the Chief Financial Officer to sign the Agreement on behalf of NRIL.</p>	
22/143	<p><b><u>Annual review of key risks</u></b></p> <p><i>Ben Edwards joined the meeting.</i></p> <p>Paper 88/22 outlined how the Company's key risks reflected the wider world (e.g., Covid, the war in Ukraine, climate change, Brexit), the actions being taken in response to those risks and how the Company continued to engage with industry partners to better manage shared risks.</p> <p>The Audit &amp; Risk Committee had discussed this paper in detail before its submission to the Board and had welcomed the broader approach to risk management. The Safety, Health and Environmental Compliance Committee had reviewed the safety-related risks.</p> <p>The Board discussed:</p> <ol style="list-style-type: none"> <li>1. how risk management capability in the Regions had been strengthened such that it was integral to how Network Rail operated and delivered for passengers and freight customers;</li> <li>2. specific types of risk that the business was managing, such as shortages of skilled infrastructure workers, industrial relations, misuse of personal data, power outages, etc;</li> <li>3. how the risk management team had brought rail industry colleagues together to build a shared view of joint risks and how to manage them;</li> <li>4. work being done with the DfT on developing a view of rail-related risk in the longer term; and</li> <li>5. the difference between 'risks' and 'issues' and whether, for example, severe weather events were treated as a risk or an issue. It was acknowledged that there was some overlap, but that risks had more uncertainty and that as things became clearer those risks typically became issues and were managed as such.</li> </ol> <p>The Board congratulated Ben Edwards and his team on a really good piece of work.</p> <p><i>Ben Edwards left the meeting.</i></p>	
22/144	<p><b><u>Committee update – part 1</u></b></p> <p>The Board was updated on the recent meeting of the Property Supervisory Committee.</p>	
22/145	<p><b><u>Region update – Wales &amp; Western</u></b></p> <p><i>Michelle Handforth joined the meeting.</i></p> <p>Paper 89/22 updated the Board on the progress and activities of the Wales &amp; Western region over the past year.</p> <p>Amongst other things, the Board discussed:</p>	

	<ol style="list-style-type: none"> <li>1. how elements of the strategy developed over the last year had been deployed in Devon and Cornwall to check they worked before being rolled out more widely;</li> <li>2. that train service performance was challenging due to several factors, including industrial action, weather and poorer than expected asset performance;</li> <li>3. financial performance was also challenging. For example, an integrated rail profit and loss statement for Devon and Cornwall showed that while fares had been increased at a lower rate than inflation, the industry's costs (e.g., goods, services and labour) were increasing at a rate above inflation;</li> <li>4. the stakeholder engagement done in building the business plan for CP7. The key need for passengers was a reliable train service, particularly as tickets became more expensive. There was also a changing passenger market as many younger people were not buying cars, relying instead on the railway. This meant they had different expectations and needs;</li> <li>5. that the Wales &amp; Western scorecard update did not obviously reflect the massive focus in the region on train service delivery. This was because the scorecard recovery focus was on the matters that the team could improve in terms of scorecard achievement. These tended to be input measures rather than output measures. Whilst train service improvement plans were in place, train performance would not improve enough to contribute to the scorecard outcome; and</li> <li>6. the works to be done at Old Oak Common and the disruption that would cause to passengers. The impact of the works was still being modelled, particularly in terms of passenger transit through and around the station. The Board asked for an update on this matter in due course.</li> </ol> <p>The Board thanked Michelle Handforth for an interesting review of her Region and thanked her for hosting the meeting.</p> <p style="text-align: center;"><i>Michelle Handforth left the meeting.</i></p>	Michelle Handforth
22/146		

		
22/147	<p><b><u>Accessible travel policy</u></b></p> <p><i>Jake Kelly, Alison Smith and Charley Wallace joined the meeting.</i></p> <p>Paper 90/22 updated the Board on (1) progress in relation to the Accessible Travel Policy commitments and the work being done more widely in relation to the Public Sector Equality Act, and (2) the work Network Rail was doing in support of wider whole industry strategy development.</p> <p>The Board discussed:</p> <ol style="list-style-type: none"> <li>1. whether enough consideration had been given to the small improvements that could be done relatively easily at stations to improve access more quickly. Network Rail was working to manage its supply chain more effectively to give certainty over work banks and therefore reduce costs;</li> <li>2. what was being done to improve the way in which passengers could find the information they needed about accessibility at stations;</li> <li>3. how some 5% of disabled people were wheelchair users, highlighting the need to consider all types of disability when making changes. A key obstacle for disabled people travelling by rail was the attitudinal barriers they faced, for example working practices meaning that no-one was available to help put a ramp between train and platform.</li> </ol> <p>The Board asked that this work be decoupled from the work being done on Great British Railways where that was feasible, as it was a live network wide issue and not all the areas of opportunity were dependent on rail reform.</p> <p>The Board <b>ENDORSED</b> the recommendation to leave the current Accessible Travel Policy commitments stable for another year subject to consultation with the Regions.</p> <p><i>Jake Kelly, Alison Smith and Charley Wallace left the meeting.</i></p>	
22/148	<p><b><u>Network Rail's reputation – latest external insight</u></b></p> <p>The Board discussed paper 91/22 which outlined the findings of recent insight surveys of key stakeholders, and their perceptions of Network Rail. Those findings informed how Network Rail engaged with different audiences at national and regional levels.</p> <p>Network Rail's parliamentary reputation had significantly improved and amongst transport journalists was strong.</p> <p>The impact of industrial action on the Company's reputation was starting to show in the results.</p> <p>A separate survey polled the public and passengers, and the latest results would be shared with the Board. Generally, Network Rail did not have a clear identity amongst non-rail users, and the Company's reputation was generally less positive amongst the general public than amongst passengers.</p>	

22/149		
22/150	<p><b><u>Midland Mainline electrification – sourcing strategy</u></b></p> <p><i>Rob Cairns and Rob McIntosh joined the meeting.</i></p> <p>Paper 93/22 sought endorsement of the sourcing strategy for the Midland Main Line Electrification (MMLE) Programme. That Programme aimed to change the way electrification was delivered to achieve savings when compared with the CP5 single track kilometre rate.</p> <p>The procurement process would commence in January 2023, within an overall Anticipated Final Cost range as set out in the paper and having contract values as set out in that paper. In due course the Board would be asked to review, and if thought appropriate, grant the authorities required to award and enter into a contract.</p> <p>MMLE was the first step in the Traction Decarbonisation National Strategy and would extend electric operation on the Midland Main Line beyond Corby, to Nottingham and Sheffield.</p>	

	<p>The Board asked about the incentives to prevent the project being over-engineered. This was being done by including a clause in the contract stipulating that profit could only be achieved if the design was within budget.</p> <p>The Board was advised that funding for enhancement projects (RNEP) would be constrained in CP7.</p> <p>After due consideration the Board <b>APPROVED</b> the request to commence procurement activities for the next phase of MMLE North of Leicester, subject to the Region working closely with the Chief Financial Officer before finalising the scope of works to be included in the procurement, the Anticipated Final Cost range and anticipated contract values.</p> <p>The Board commended Rob McIntosh and his team for a very well written paper.</p> <p><i>Rob Cairns and Rob McIntosh left the meeting.</i></p>	
22/151	<p><b><u>Network Rail Limited – interim financial statements 2022/23</u></b></p> <p>The Board reviewed paper 94/22 which presented Network Rail Limited's interim financial statements for the six months to 30 September 2022 (Interims). The paper also explained the key variances and judgements affecting the results.</p> <p>The Interims had been reviewed by the Audit &amp; Risk Committee and were recommended to the Board for approval. The National Audit Office had also reviewed the Interims and considered them to state fairly the Company's results for the period.</p> <p>Having considered the Interims and associated paperwork, the Board:</p> <ol style="list-style-type: none"> <li>1. <b>APPROVED</b> the Network Rail Limited interim financial statements; and</li> <li>2. <b>AUTHORISED</b> Andrew Haines to sign the Interims and the associated representation letter.</li> </ol>	
22/152	<p><b><u>Committee updates – part 2</u></b></p> <p>The Board was updated on recent meetings of the:</p> <ul style="list-style-type: none"> <li>• Treasury Committee</li> <li>• Audit &amp; Risk Committee</li> <li>• Nomination &amp; Remuneration Committee</li> <li>• Safety, Health &amp; Environmental Compliance Committee</li> </ul>	
22/153	<p><b><u>Company Secretary's report</u></b></p> <p>Having reviewed paper 98/22 the Board:</p> <ol style="list-style-type: none"> <li>1. <b>NOTED</b> the appointment of Daniella Soosay as a director of NR Corporate Secretary Limited; and</li> <li>2. <b>RATIFIED</b> the use of the Company seal.</li> </ol>	
22/154	<p><b><u>Prosecution report</u></b></p> <p>The Board noted the Prosecution Report (paper 99/22).</p> <p>The Health &amp; Safety Executive had indicated that it would prosecute Network Rail in relation to the death of a colleague at Eastleigh in November 2020. Confirmation of the precise charges against the Company had not yet been received.</p>	



22/155	<b><u>Claims report</u></b>	
	The Board noted the delegated authority report (paper 100/22)	
22/156	<b><u>Board agenda planning</u></b>	
	The Board reviewed the draft agenda for the January 2023 meeting.	
22/157	<b><u>Any other business</u></b>	
	None.	
Date of next meeting: 19 January 2023.		
<p>..... Chair</p>		