

Official-sensitive		
<p style="text-align: center;">Minutes of a Meeting of the Board held on Thursday 2 May 2024 Baskerville House, Centenary Square, Broad Street Birmingham B1 2ND</p>		
Present	Peter, Lord Hendy of Richmond Hill (Chair) Mark Bayley Rob Brighouse Stephen Duckworth Andrew Haines Michael Harrison Mike Putnam	David Noyes Fiona Ross Jeremy Westlake Ismail Amla (via Teams, left 11.35am and re-joined 12.22pm)
In attendance	Susan Beadles, Group General Counsel & Company Secretary Louise Kavanagh, Chief of Staff David Leam, Group Communications Director Bhavini Kundaiker, Interim Deputy Company Secretary Julie Pharoah, Assistant Company Secretary	
	Michael Clark (minute 24/059) Rupert Lown (minute 24/061; 24/062) Abigail Patterson (minute 24/061) Rob Morton (minute 24/062) Anit Chandarana (minute 24/063) David Harding (minute 24/063) Helen Ursell (minute 24/063)	Suzanne Donnelly (minute 24/064) Emma Robertson (minute 24/064) Rob McIntosh (minute 24/065; 24/066) Neil Holm (minute 24/066) Gordon Kells (minute 24/066) Clive Berrington (minute 24/067) Julia Territt (minute 24/067)
Apologies		
No.	Item	Actions
24/055	<p><u>Chair's opening remarks</u></p> <p>The Board:</p> <ul style="list-style-type: none"> Noted that this would be Michael Harrison's final Board meeting. Acknowledged that Rob Brighouse's term would end on 31 July 2024 and his last Board meeting would be on 4 July 2024. Welcomed Julie Pharoah, a new member of Company Secretariat team, who was attending as an observer. Noted that progress had been made to select 'Independent Audit', as the external provider who would conduct the 2024 board effectiveness review. The Company Secretariat were finalising the interviewee timetable and the review would commence in the coming weeks. <p>The Board reflected on:</p> <ul style="list-style-type: none"> The discussions at the Board dinner held the previous evening, attended by Rob McIntosh, Regional Managing Director for NW&C; and Their visit to the Severn Valley Railway on 1 May 2024. 	
24/056	<p><u>Minutes of previous meeting</u></p> <p>The minutes of the Board meeting held on 21 March 2024 were approved, subject to minor corrections, including the expiry date for Rob Brighouse's term, which had been agreed as 31 July 2024.</p>	CoSec
24/057	<p><u>Action Schedule</u></p> <p>The Board reviewed the action schedule and the January strategy day objectives.</p>	

[illegible]

	<ol style="list-style-type: none"> 1. Regional Access for All delivery reform would be required to create a single Access for All programme team in each of the 5 regions, who would be accountable for delivery and local sponsorship. 2. The creation of a new national 'Access for All Portfolio Sponsorship Office' which would look to simplify complicated governance structures as well as implement additional accountability and controls at portfolio level. This should result in a single central guiding mind for the Access for All Portfolio. <p>The Board would be kept updated on the Access for All programme's performance and how these two critical interventions were impacting delivery.</p>	Wales & Western
	<p><u>Chief Financial Officer Commentary</u></p> <p>Financial Performance at P13 had deteriorated following an increase in regional operating expenditure and higher signalling project costs. Full year underperformance was £478m with around 40% due to train performance.</p> <p>The Board discussed the critical first year of a new control period for route directors. They would need to understand the tight financial management required, and then to create a sufficient level of transparency and visibility of their individual regional plans and their key risk areas and challenges. It was noted that external expert support was being provided to highlight the key areas for focus.</p> <p>The Board commended the successful completion of CP6 and extended their appreciation to the Chief Financial Officer for his contribution.</p> <ul style="list-style-type: none"> • Regulation <p>There was noted one change to the escalator for this period which related to concerns over the access process (System Operator). This item had been removed from the escalator.</p> <ul style="list-style-type: none"> • Financial Performance <p>Income at P13 had deteriorated following an increase in regional operating expenditure and higher signalling project costs. Around 40% of underperformance this year was due to train performance; the impact of adverse weather; continuing issues with Wales & Western and higher overall levels of asset failures.</p> <ul style="list-style-type: none"> • Railway Industry Centre of Excellence (RICOE) <p>Several leadership changes in the team were reported. Christian Irwin would be moving onto a new role as Capital Delivery Director in Eastern Region, and the Board acknowledged his significant contribution to improvements in capital delivery projects. Jeff Davies would provide interim cover until a permanent replacement was found. Jeff came with previous relevant experience from within NR and the DfT.</p> <p>The Board also noted that Rob Brighthouse and Mike Gerrard were resigning from their posts on RIDAB, and as a consequence, Mike Putnam proposed an effectiveness review to be carried out to ensure the right capabilities and balance were retained on the advisory board for continuing effectiveness.</p> <ul style="list-style-type: none"> • DevCo <p>It was reported that progress had been made on the merger of LCR and Network Rail Property. HMT had provided their approval in principle subject to final business case.</p> <ul style="list-style-type: none"> • Corporate Finance and Business Development <p>[REDACTED]</p>	MP/JW
	<p>PROPOSED REDACTION:</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	

Page 4 of 7

	<p>The Board thanked Rob for his update.</p> <p><i>Rob Morton left the meeting</i></p> <p>Ismail Amla re-joined the meeting at 12.22pm</p>	
24/063	<p><u>Passenger Demand and Revenue Recovery</u></p> <p><i>Anit Chandarana, David Harding & Helen Ursell joined the meeting.</i></p> <p>The Board NOTED the contents of paper 34/24 which provided an update on monitoring and forecasting rail demand, which impacted on the financial sustainability of the industry, the need and case for future investment and the economics of the railway.</p> <p>Discussions reviewed the impact against initiatives which drove revenue for operators and to maintain oversight where part of network was not efficient to continue running.</p> <p>The Board thanked Anit, David and Helen for their update.</p> <p><i>Anit Chandarana, David Harding & Helen Ursell left the meeting.</i></p>	
24/064	<p><u>Railway 200: Update for Steering Group</u></p> <p><i>Suzanne Donnelly and Emma Robertson joined the meeting.</i></p> <p>The Board NOTED the contents of paper 35/24 which highlighted the 200-year anniversary of the railway industry.</p> <p>The intention of this national celebration was to amplify the industry and its achievements; to positively influence and educate the public; to create merchandise and a tourist campaign; and create and fill more career opportunities amongst the wider diverse audience.</p> <p>The Directors were asked to advertise the celebrations amongst their network.</p> <p>The Board briefly discussed royal patronage; contribution to the celebration by train operators; and if this event could be used to bring the industry together and capture multidimensional data to understand revenue and customer experience.</p> <p>The Board thanked Suzanne and Emma for their feedback.</p> <p><i>Suzanne Donnelly and Emma Robertson left the meeting.</i></p>	
24/065	<p><u>Region update – North West & Central</u></p> <p><i>Rob McIntosh joined the meeting.</i></p> <p>The Board NOTED the contents of paper 36/24 which provided an appraisal on the regions' performance against the scorecard and the plan to drive improvements.</p> <p>Rob highlighted the three priority areas of focus, which were to:</p> <ol style="list-style-type: none"> 1. continue to improve business performance and deliver CP7 Year 1 outcomes. 2. embed the new operating model. 3. enable the opportunity in key change areas such as SPEED, Modernising Maintenance and Front-Line Leadership. <p>Changes since September 2023 had been made to leadership roles and the operating model has been reviewed to provide clarity on accountabilities. One of the concerns noted was workforce safety and wellbeing, and it was important that personal leadership responsibilities and culture change be driven, to positively reduce the number of accidents at work and to reward good practices.</p> <p>The Board commended the 800 TRU apprenticeships and number of opportunities available, as well as the safety leadership programme which had been implemented.</p> <p>Discussions reviewed the level of preventative maintenance; behaviours and if model DU's could be used to pilot a safety culture. It was noted that feasibility reports would be available in July on the stations.</p> <p>The Board thanked Rob for his update</p>	

24/066	<p><u>TRU East Alliance – Project E234 – Final Contract Award</u></p> <p><i>Neil Holm and Gordon Kells joined the meeting.</i></p> <p>[REDACTED]</p> <p>The Board noted the considerations for value for money and the assurance provided by external consultants. Mike Putnam, on behalf of the assurance committee, provided his feedback and support on the comprehensive and thorough process which had been carried out to provide clarity on the programme, capability and cost.</p> <p>Having considered the salient points, key risks and feedback from the sub-committee, the Board hereby:</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The Board thanked Rob, Neil and Gordon for their update.</p> <p><i>Rob McIntosh, Neil Holm and Gordon Kells left the meeting.</i></p>	
24/067	<p><u>Road Fleet Management Services</u></p> <p><i>Clive Berrington and Julia Territt joined the meeting.</i></p> <p>[REDACTED]</p> <p>The Board briefly discussed:</p> <ul style="list-style-type: none"> • the zero value, which was explained to be due to uncertainty at this stage, on how much should be invested over the years. This was yet to be determined and was a low risk for zero value. • the replacement plan, which depended on the age of the fleet and variability when it moved into the EV market. <p>Having considered the salient points and key risks, the Board hereby:</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The Board thanked Clive and Julia for their update.</p> <p><i>Clive Berrington and Julia Territt left the meeting.</i></p>	

24/068	<p><u>Committee Updates</u></p> <p>The Board NOTED the contents of paper 38/24 which provided an update on the recent meeting of its Property Supervisory Committee.</p>	
24/069	<p><u>Company Secretary's Report</u></p> <p>The Board NOTED the contents of paper 40/24 which provided an update from the Company Secretariat.</p> <p>The Board hereby:</p> <ol style="list-style-type: none"> 1. APPROVED the appointment of George Mackintosh as a Director of Network Rail (High Speed) Limited; 2. RATIFIED the appointment of Lisa Leeds as a member nominated Trustee Director of Network Rail Pension Trustee Limited, effective 8 January 2024; 3. RATIFIED the appointment of Dr Ian Icton as a member nominated Trustee Director of Network Rail Pension Trustee Limited, effective 1 April 2024; 4. NOTED the resignation of Robert Arnold as a member nominated Trustee Director of Network Rail Pension Trustee Limited with effect from 31 March 2024; 5. APPROVED the upcoming resignation of Christian Irwin as a Director of Network Rail Certification Body Limited with effect from 24 September 2024; 6. APPROVED the changes to the Treasury Committee Terms of Reference, which introduced an additional non-voting membership; 7. APPROVED the appointment of Dr Ilona Blue as Independent External Advisory Member to the Treasury Committee, effective 13 June 2024. 8. RATIFIED the use of the Company seal. 	
24/070	<p><u>Prosecution report</u></p> <p>The Board NOTED the contents of paper 41/24.</p>	
24/071	<p><u>Draft Board Agenda</u></p> <p>The Board reviewed the draft agenda for the next meeting to be held on 4 July 2024, in York, hosted by Eastern region.</p>	
24/072	<p><u>Dates of Future Meetings</u></p> <p>The Board reviewed the future meeting dates for the 2024 calendar year.</p> <p>Directors were invited to a biodiversity tour in Lewisham, on 25 September, which would be the afternoon before the Board meeting on 26 September.</p>	
24/073	<p><u>Any other business</u></p> <p>The Chair extended his heartfelt gratitude to Michael Harrison, for his contribution to the Board and his counsel to fellow Directors and the executive, over the years.</p>	
Date of next scheduled meeting: 4 July 2024, George Stephenson House, York		
	<p>..... Chair</p>	