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Minutes of a Meeting of the Board held on Thursday 13 February 2025 at

Network Rail (the Company), Level 2 Boardroom, Waterloo General Office, London, SE1 8SW

Present	Mike Putnam (Acting Chair) Ismail Amla Carolyn Battersby (Special Director) Mark Bayley Stephen Duckworth Sir Andrew Haines	Stuart Harvey David Noyes Dyan Perry (left at 14:25) Fiona Ross (left 14:50) Stephen Scrimshaw Jeremy Westlake
In attendance	Susan Beadles David Leam Mimi Ajibadé	
	Anit Chandarana (25/032) Caroline Dickson (25/032) Chris Rowley (25/032) David Harding (25/032) Lisa Angus (25/032) Michael Clark (25/033) Martin Frobisher (25/034)* Priti Patel (25/034)* *via videoconference	Paul Marshall (25/035)* Nigel Ash (25/036) Rob McIntosh (25/037-038)* Gordon Kells (25/037-038)* Jo Griffiths (25/037-038)* Hannah Lomas (25/038)*
Apologies	None	

No.	Item	Actions
25/021	**Acting Chair's opening remarks** The acting chair welcomed everyone to the meeting. The meeting was declared quorate. On behalf of the Board, the acting chair welcomed Sachna Shah, the board apprentice who would attend Board over the next 12 months. The Acting Chair explained that in a change to the order in which they appear in the agenda, Items 17 and 18 would be considered before item 15. The Acting Chair also noted that the agenda included two performance reports introduced following the Board Effectiveness Review to capture the underlying performance drivers. At this meeting, the System Operator would report on train service delivery performance, and Technical Authority would report on safety performance. The Acting Chair, with the assistance of the Company Secretary, would prepare a report on the Company's response to the recommendations from the Board Effectiveness review for the DfT. The Board reflected on: • The Board dinner the evening before where Anit Chandarana and Carolyn Battersby had led discussions • The discussions at the non-executive directors' meeting held immediately prior to the Board meeting. In future, these meetings would take place on the day before Board meetings • The Board strategy session scheduled for 19 March 2025, the details of which were still being finalised • The Rail 200 celebration programme • The potential for a site visit when the Board meets in Cardiff next month, time permitting • The appointment process for the permanent Board chair which was in its early stages.	
25/022	**Minutes of previous meeting** The minutes of the Board meeting held on 16 January 2025 were **APPROVED**, subject to minor corrections.	GovSec

25/023	**<u>Action Schedule</u>** The Board **NOTED** there were no actions.	
25/024	**<u>Directors' interests</u>** The Board **NOTED** the following interests and standing potential conflicts: • Stuart Harvey as Chief Capital Officer of Transport for London (TfL) • Mike Putnam as Vice Chair of the Supervisory Board of Arcadis NV	
25/025	**<u>Supply of Steel Rail Extension</u>** The Board considered the contents of paper 08/25 which sought approval for a six-month extension of each of the current rail supply agreements from April to September 2025. Following due consideration, the Board **GRANTED** authority to vary each of the three framework agreements to extend their terms by 6 months, from April to September 2025, to enable completion of the procurement process with no increase in the cumulative value of any of the framework agreements. During the meeting, an update on the Company's strategy for sourcing steel rail was provided.	
25/026	**<u>Company Secretary's Report</u>** The Board considered the contents of paper 09/25 which provided an update from the Company Secretary. Following due consideration, the Board: 1. **NOTED** the resignation of Ellie Burrows from the Board of Network Rail High Speed Limited with effect from 31 March 2025. 2. **NOTED** the resignation of Roopa Deshmukh from the Boards of certain non-trading or dormant subsidiary companies with effect from 15 January 2025. 3. **NOTED** the changes to the NRIL Power of Attorney, being effective from 10 February 2025. 4. **RATIFIED** the use of the NRIL company seal.	
25/027	**<u>Prosecution Report</u>** The Board considered the contents of paper 10/25. The paper was taken as read and **NOTED**.	
25/028	**<u>Property and Supervisory Committee Update</u>** The Board considered the contents of paper 11/25 which recorded the summary, given to the Board verbally at its previous meeting on 16 January 2025, of the matters considered at the last meeting of its Property Supervisory Committee on 15 January 2025. The paper was taken as read and **NOTED**.	
[redacted]	[redacted] [redacted] [redacted]	

25/030	**<u>Approval of consent agenda minutes for the 13 February 2025 meeting</u>** The Board **NOTED** the following: • Two enquiries about the contents of the Consent Agenda raised by different Board members were confirmed by each to have been answered satisfactorily. • Although Ellie Burrows would be resigned from Network Rail High Speed Limited board as noted above, we (NR) still had Louise Kavanagh representing Network Rail on the subsidiary company's board. The draft minutes covering the Consent Agenda section for the Board meeting held on 13 February 2025 were **APPROVED**.	
25/031	**<u>Board Report</u>** The Board reviewed the comprehensive Board report. The Board focused its discussion on the following: **Level crossing fatality:** The Board discussed the recent fatality on a public path level crossing at Bourneview, near Croydon. The Board noted that this was not a high-risk crossing and that in response to the incident the Company was investigating proportionate behavioural and technological options to further reduce risk. The Board was assured that the initial response team acted promptly and professionally, and that welfare support had been provided to them and, by the train operating company, to the driver. The Board also noted the history of community engagement in schools in the area and that the Route Director had been in contact with the principal of the school attended by the deceased. **Railway policing:** The industry roundtable with the British Transport Police (BTP) chaired by the Rail Minister, was attended by the chief executive and 22 different parts of the rail industry. [redacted] **High Speed 2:** An update on High Speed 2 was provided. **Pay talks and modernising maintenance:** The Company has made an offer for a one-year pay deal for General Grades linked to the consumer price index (CPI), with no additional conditions attached whilst being clear that the Company was willing to consider a higher award providing the incremental cost could be covered by productivity improvements. The Board considered the efficiencies from modernising maintenance and noted that these had been included in the CP7 funding settlement and achievement of the efficiencies was being monitored by the Group Finance Director. The Board requested an update on the financial efficiencies that had been achieved, as well as improvements in behaviours, culture, and safety of maintenance workers. The update would also include the work being undertaken by the Group HR Director on Model Delivery Units. **Prosecutions concerning incidents at Margam and Surbiton:** The Board considered the ORR's position to acknowledge actions taken by NRIL following Margam. The Group General Counsel will issue a note to Board members following each sentencing hearing. **Railway Safety Standards Board (RSSB):** The Company was working with RSSB on efficiencies that could be achieved through an improved process within RSSB for agreeing changes to Railway Group Standards. A report, commissioned by RSSB, from KPMG, had helpfully raised similar issues to those identified by the Company and RSSB had committed to making appropriate changes. **Correspondence concerning structures assessments**: The Company assesses structures, and the load from traffic that such structures can safely support, particularly on freight routes, on average, every 18 years, and for some assets the assessments were undertaken less frequently. The Company also undertakes far more frequent examinations of the structures. The ORR wants the Company to complete risk assessments on assets for which no record of a full assessment has been filed by the end of April, and for assessments to be in place by the end of February 2026. The company did not accept that structural assessments were a primary risk control measure given the infrequency with which they were planned but nevertheless recognised the ORR's strength of feeling. Some of the assessments will take time to complete and to comply	A Haines

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with the ORR's requirement would likely mean some unplanned expenditure. A reply to the ORR was being drafted.

Other matters discussed:

RAIB Report on the Cumbrian Derailment – The Board discussed the challenges of dealing with water run-off from third party property. The Board asked for the report on the implementation of the RAIB recommendations to be presented at its SHEC Committee.
Alstom - The Board thanked the Executives and RICoE team for managing challenging circumstances, acknowledged the delay to Victoria Stage 5 and the recent senior appointments at Alstom.
Sexual harassment - The actions being taken by the Executive following the 'Allies for Inclusion' discussions and the descriptions given by women of sexual harassment. The Board requested to be kept updated.
Speak Passenger – The Board discussed the inaccurate reporting in the Sunday Times, which had been picked up by other titles who discussed some of the language around EDI issues. A process was now in place to control versions of the document following regular reviews.

There being no further questions, the rest of the Chief Executive Officer's Report was taken as read and NOTED.
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<u>Chief Financial Officer Report</u>

Financial performance: The Chief Financial Officer updated the Board on the following matters that were NOTED:

The work done by the Planning & Regulation team to provide a prompt response on the consequences of a proposed reduction in funding by the DfT as part of the spending review process.
Confirmation had been received from the ORR that it was content with the Company's management of the overlay.
An update was given on DevCo, with the Board's Sub-Committee due to meet to consider the arrangement shortly.

Rail Investment Centre of Excellence Report: The Board praised the new project reports. The Board asked for a project watch list. The Chief Financial Officer proposed that this was covered in a more detailed quarterly report. Stuart Harvey and Nicola Bell, executive director for Major Projects at National Highways, had recently been appointed to Rail Investment Delivery Advisory Board (RIDAB), bringing cross-sector knowledge.

Corporate finance and business development: [redacted]

Paper recommendations: The Board discussed the Regions and Functions Detail in the report, which still need to be revised in response to the recommendation of the Board Effectiveness Review Sub-Group. It was agreed that David Noyes, Mark Bayley, and David Leam would discuss and agree a way forward.

There being no further questions, the rest of the Chief Financial Officer's report was each taken as read and NOTED.
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<u>Train Service Delivery including Timetable Change Update</u>
Anit Chandarana, Caroline Dickson, Chris Rowley, David Harding, and Lisa Angus joined the meeting
The Board considered paper 12/25.

The Group Director, System Operator provided an overview of train service delivery performance including timetable change updates, which also reflected questions previously received from Board members. The three pillars of train service delivery were identified as infrastructure, operating plan (fleet and people) and external factors. Lisa Angus discussed the use of the whole system model (PIMS) and explained that the KPIs and leading indicators for
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this model were aligned to the three pillars. Lisa presented on the need to quantify system benefits from investment and the importance of sharing and embedding lessons learnt.

The Board was updated on the work of the Network Performance Board and the December timetable change on the ECML and the decisions that Ministers would need to make.

The Board further discussed and advised on the following matters:

- How the System Operator would use outputs from third party reviews, such as the DfT's review of drivers and train crew, to improve train service delivery, noting that performance relies not just on having enough people, but they also need to be in the right place at the right time, catering for absences, which was a business planning matter.
- How the Company could gain a better understanding of unattributed (sub-threshold) delays. The Chief Executive Officer explained that the longstanding performance regime leaves the company with a disproportionate percentage of unattributed delays, and this acted as a disincentive for train operating companies to share their GPS data and historically DfT has not enforced compelling them to do so. It was an obvious opportunity under alliancing and under GBR.
- The dependency on people and staff shortages would be a constant problem, but the mixed and heavy use of the railway limited opportunities to trial automation.
- That given the diminishing returns on asset improvements and the sheer number of trains on the network, the analysis shows that robust, integrated train planning and resourcing was the single biggest opportunity to achieve a sustainable improvement in performance.
- That the removal of red zone working was the right thing to do, but that it came with a cost, only part of which was transparent.
- Whether the customer experience of a delay would be improved if they had better information about the cause of the delay. The plan to develop cross-industry leading performance indicators.

Paper recommendations: In response to the request from the System Operator for feedback on the report, the Board requested information on the drivers of delay when an incident occurs, covering the time to assess and fix problems and the time to recover the service and how this contributes to delay minutes. The Board also asked for the report to include hypothesis statements of the things that the Company was chasing to improve performance. The Board noted that the next Train Service Delivery Performance report in October would be presented alongside the Asset Management Performance report so there would be an increased focus on infrastructure.

The Board praised the depth and insightfulness of the paper.

There being no further questions, the rest of the paper was taken as read and **NOTED.**

Anit Chandarana, Caroline Dickson, Chris Rowley, David Harding, and Lisa Angus left the meeting.

25/033

Rail Reform – Shadow Great British Railways (shadow GBR)

Michael Clark joined the meeting

The Board considered paper 13/25.

The Board's discussion focused on the following:

- The Secretary of State's target for the launch of GBR
- The Rail Plan for Change,
- The proposals for the appointment of alliance managing directors from within NRIL or train operating companies, with governance supported by alliance boards.

GBR strategy session was planned for 19 March 2025, and would provide clarity on the governance arrangements for the track and train alliances. The Board also wanted reports on the consultation document and the Company's proposed response, which the Board sub-committee would review in detail. The Board also requested a report on GBR design.

There being no further questions, the paper was taken as read and **NOTED.**

Michael Clark left the meeting

25/034 **Safety Strategy Update**

Martin Frobisher and Priti Patel joined the meeting

The Board considered paper 14/25.

The Board welcomed Priti Patel, the recently appointed Chief Health, Safety & Well-being Officer, TA.

The Group Safety & Engineering Director provided an overview of the Safety Performance report.

The Board's discussion focused on the following matters:

- The importance of wellbeing on people's safety and that more appropriate trade-offs were sometimes made when they were not segregated.
- The impact of the weather of safety performance and whether the Company's activities were meeting the increased scale of the problem, noting that a line of sight on the future costs of climate change had been included in our delivery plans for CP7.
- The role played by the supply chain in the Company's safety performance, how this was monitored and the six-monthly meetings the Group Safety & Engineering Director has with the tier 1 contractors. Particular concerns were in the lower tier contractors, particularly labour only suppliers to whom the Company communicates through the tier 1 contractors.
- The use of technology in driving improvements in safety performance.
- The first meeting of cross-industry engineering leaders.
- The training and competence of supervisors to empower their people to stop work if they see unsafe practices and the need to promote psychological safety to support people speaking out. The role of senior leaders in setting the next step to move the safety culture on for example, in the use of additional protection for track workers. The Board notes that safety culture was a sub-set of the Company's culture generally.
- Board members should have safety conversations when they visit the Company's sites.

Paper recommendations: The Board praised this first iteration of the new style Safety Performance report and made the following recommendations for inclusion: the next paper should be set in the context of the safety policy and how it has been implemented, the paper should reflect explicitly that the Company was an asset management company.

There being no further questions, the rest of the paper was taken as read and **NOTED.**

Martin Frobisher and Priti Patel left the meeting

25/035 **Overview of the RF09 Planning Round**

Paul Marshall joined the meeting

The Board considered paper 15/25.

The Group Finance Director introduced the paper, especially that the RF09 plan was tight with risk funds largely utilised.

The Board recognised the progress made in the reduction of the overlay and that the forecast remained consistent with the Control Period delivery plans.

There being no further questions, and following due consideration, the Board:

	1. **NOTED** the contents of the paper, and 2. **GRANTED** authority to the Chief Executive Officer and the Chief Financial Officer to approve the updated GB delivery plan based on the Rolling Forecast 11, which would be published in March 2025 subject to Department for Transport and Transport Scotland sign-off. *Paul Marshall left the meeting*	
25/036	**<u>Network Rail International (NRC) 2030 Business Plan</u>** *Nigel Ash joined the meeting* The Board considered paper 16/25. The Chief Financial Officer introduced the Managing Director of NRC (Nigel Ash) and provided an overview of the paper. The Managing Director of NRC reported on the overall performance of the subsidiary company since the Board's last endorsement of its strategy and business plan in November 2020. He reported on the rise in revenue over the five years, and the improved workforce diversity, which included local talent. The business had a strong pipeline of customers from private and public sectors in the United States, Australia, and countries in the Middle East. There were certain risks, such as in payment terms, when doing business overseas, but they were factored into its pricing and payment terms, especially in Saudi Arabia. The business had grown organically but there was the potential for growth by acquisition. The Boarded commended Nigel Ash on his and the NRC's enterprising spirit. There being no further questions and following due consideration, the Board **ENDORSED** the proposed 2030 Business Strategy for Network Rail International (NRC). *Nigel Ash left the meeting.*	
25/037	**<u>TransPennine Route Upgrade – Quarterly Update</u>** *Rob McIntosh, Gordon Kells and Jo Griffiths joined the meeting* The Board considered paper 17/25. The Managing director, NWC provided an overview of the paper, focussing on the programme's progress, with key outputs being delivered ahead of schedule and safety performance. The Board's discussions focussed on the following: • The draw down risk earlier than planned, which was being addressed. • That this was the biggest year to date for the programme, noting the confidence of the team that the programme was well set up and had good relationships with contractors and stakeholders. The Board commented that the update responded well on matters that the Board had previously asked to be addressed. For the next quarterly update, the Board requested the 'view from the bridge' on safety, horizon scanning for risks from a programme perspective. There being no further questions, the rest of the paper was taken as read and **NOTED.** *Dyan Perry left the meeting*	
25/038	**<u>Transpennine Route Upgrade – Train Operator Costs</u>** *Hannah Lomas joined the meeting* The Board considered paper 18/25 which provided an update on the funding of train operator costs associated with the TRU programme.	

	Following due consideration, the Board: 1. **NOTED** the contents of the paper, 2. **RATIFIED** the decision of the Investment Panel to grant additional Investment Authority (A1 in the Delegation of Authority Policy) of £0.4m to pay TRU Train Operator support costs for FY23-FY25 up to and including the cumulative amount of £155.4m, and 3. **DELEGATED** Principal Agreement Authority (A2a in the DoA Policy) in the amount of £463.5m to the Chief Financial Officer for him to authorise NRIL to enter into the RNEP Remit Letter and Funding from Network Rail Agreements associated with a pass-through funding approach for TRU Train Operator support costs for the period 01/04/2025 to 31/03/2032, once he was satisfied with the terms. The Board **FUTHER NOTED** that this was Rob McIntosh's last attendance at the Board before he left Network Rail before taking up his role as chair of TRU Programme Board. The Board commended Rob for his service to TRU and the Company. They wished him the best in his future endeavours. *Rob McIntosh, Gordon Kells, Jo Griffiths and Hannah Lomas left the meeting*	
25/039	**Committee Updates – Verbal** The following verbal updates were provided: • The chair of the Safety, Health and Environmental Compliance Committee provided a summary of the committee's meeting held on 10 February 2025. A record of the meeting summary would be included in the pack for the Board meeting in March; and • Mark Bayley provided a summary on the cybersecurity deep dive on 12 February 2025. There being no further questions, the updates were **NOTED.**	
25/040	**Draft Board Agenda – 20 March 2025** The Board **NOTED** that the next meeting would now be held in Cardiff and the proposed arrangements for a dinner with stakeholders the evening before.	
25/041	**Any other business** • The Board commended Laurie Southwell in the GovSec and wished her the best in her future endeavours. • The RAIB report on the Talerddig crash in the Wales & Western Region on 21 October 2024 was due in early 2026, pending which there was nothing further to report.	
	There being no further business the meeting was closed.	
Date of next scheduled meeting: **20 March 2025, in Cardiff.**		
	…………………………………….. Chair	