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Minutes of a Meeting of the Board
held on Thursday 1 May 2025 in
Meeting Room 6.6, Network Rail, 151 St Vincent St, Glasgow G2 5NJ

Present	Mike Putnam (Acting Chair) Ismail Amla* Carolyn Battersby Mark Bayley Sir Andrew Haines Stuart Harvey	David Noyes Dyan Perry* Fiona Ross Stephen Scrimshaw Jeremy Westlake
Observer	Bek Seeley	
In attendance	Susan Beadles Mimi Ajibadé Molly Neal Sachna Shah (Board apprentice)	
	Liam Sumpter (Item 25/073) Pauline Holroyd (Item 25/074)* Lawrence Bowman (Item 25/074) Richard Taylor and (Item 25/074) Paul Marshall (Items 25/075-76)* Stephen Ford (Item 25/075)* Emma Thistlethwaite (Item 25/075)* Andrew Bishop (Item 25/075)* *via videoconference	Carl Duranthon (Item 25/075)* Richard Denney (Item 25/075)* Joe Boughtflower (Item 25/075)* Ellie Burrows (Item 25/077)* Gordon Kells (Item 25/077)* James Richardson (Item 25/077)* Ben Edwards (Items 25/78-79)
Apologies	Stephen Duckworth	

No.	Item	Actions
25/064	**Acting Chair's opening remarks** The Acting Chair welcomed everyone to the meeting. The Acting Chair welcomed Bek Seeley to her first meeting as an observer. The meeting was declared quorate. The Acting Chair provided an overview of the meeting's agenda including the first performance report on Scotland's Railway in the new format and the first annual Efficiencies report. Board reflected on: • The Stakeholder Dinner held the evening before the Board meeting. • The success of Easter works. • The Government's Integrated transport strategy which aims to create a cohesive national vision for how transport systems work together, including dealing with the localised integration of transport was delayed until August 2025. • The announcement by the Chancellor that Government departments were required to identify 5% efficiency savings as part of a review to set their budgets for the coming years as part of the Governments war on wasteful government spend. • The Cabinet Office's review of arms-length bodies and the Department for Transport's (DfT) proposal that reviews of Network Rail and DfT Operator Limited would be undertaken as part of the reform of the rail industry.	
25/065	**Minutes of previous meeting** The minutes of the Board meeting held on 20 March 2025 were **APPROVED**, subject to minor corrections.	
25/066	**Action Schedule** The Board reviewed the action schedule and **NOTED** the responses to the actions.	

	<table><tr><td>Action</td><td>Response</td></tr><tr><td>Action 25/031.1 – Modernising Maintenance</td><td>Closed.</td></tr><tr><td>Action 25/031.2 – RAIB Report on the Cumbrian Derailment</td><td>Closed.</td></tr><tr><td>Action 25/031.3 – Sexual harassment</td><td>Closed.</td></tr><tr><td>Action 25/031.4 – CFO Report – Improvements to the Regions and Functions sections following the Board Effectiveness Review</td><td>Closed.</td></tr></table> The Board acknowledged the effectiveness of its action management. The Board required that substantive matters were included as items on the main agenda rather than covered in action replies.	
25/067	**Directors' interests** The Board **NOTED** the interests of the following directors: • Stuart Harvey as Chief Capital Officer of Transport for London (TfL). • Mike Putnam as Vice Chair of the Supervisory Board of Arcadis NV.	
25/068	**Company Secretary's Report** The Board considered the contents of paper 37/25 which provided an update from the Company Secretary, which was taken as read. Following due consideration, the Board: 1. **NOTED** GBRTT had adopted a new set of articles of association and the resignations of Ismail Amla, David Noyes and Mark Bayley from the board of GBRTT. 2. **NOTED** the resignation of Ian Dobbs as a director from Network Rail International Limited. 3. **NOTED** the resignation of Christian Irwin as a director from Network Rail Certification Body Limited and the appointment of Jeff Davies as a director of the company. 4. **RATIFIED** the use of the Network Rail Infrastructure Limited's seal.	
25/069	**Prosecution Report** The Board considered the contents of paper 38/25. The paper was taken as read and **NOTED**.	
25/070	**Committee updates**	
	Nomination and Remuneration Committee update The Board **NOTED** the contents of paper 39/25 which recorded the verbal summary, given to the Board at its previous meeting on 20 March 2025, of the matters considered at the 6 March 2025 meeting of its Nomination and Remuneration Committee. The paper was taken as read.	
	Environmental Sustainability Committee update The Board **NOTED** the contents of paper 40/25 which recorded the verbal summary, given to the Board at its previous meeting on 20 March 2025, of the matters considered at the 11 March 2025 meeting of its Environmental Sustainability Committee. The paper was taken as read.	
	Property Supervisory Committee update The Board **NOTED** the contents of paper 41/25 which recorded the verbal summary, given to the Board at its previous meeting on 20 March 2025, of the matters considered at the 19 March 2025 meeting of its Property Supervisory Committee. The paper was taken as read.	
25/071	**Approval of draft consent agenda minutes for the 1 May 2025 meeting** The draft minutes covering the Consent Agenda section for the Board meeting were **APPROVED**, subject to deletion of the minute relating to the Deed of Grant Payment Dispute with Lumen Technologies UK (trading as Colt).	

25/072	**<u>Board Report</u>** The Board reviewed the comprehensive Board report. The Board focused its discussion on the following: **Audenshaw Freight Derailment:** The ORR had issued an Improvement Notice. [redacted] Jake Kelly was leading a thorough investigation. The Board requested that the Safety, Health and Environmental Compliance committee receive an update prior to the matter returning to the Board for consideration in July 2025. **Pay talks**: the Board was updated on the progress. **British Steel:** The Board received an update on contingency plans to manage the impact of any reduction in the production of long steel rail and welding capacity at British Steel's Scunthorpe plant. **Efficiency challenges:** The Board was updated on: • The efficiency challenge in relation to staff costs, the focus on middle and senior management and the executive's preference to manage proactively. • The unrelenting monitoring of efficiencies from Modernising Maintenance, which was now sponsored by Liam Sumpter. • The lack of progress in aligning performance targets with train operating companies (TOCs) following the DfT's decision to give the TOCs different targets. Common scorecards would need to be developed for the Alliances. ***Post Meeting Note*** *From June 2025, the term **"alliance"** has been replaced by **"integrated railway"**.* **Your Voice**: The Board noted that the Company's engagement score was the highest achieved since 2019. **Power Resilience**: The Board was updated on the Company's resilience given the recent power outages at Heathrow airport, and in Spain and Portugal. The Company planned to repeat the previous exercise to assess its winter power risk. The configuration of the Company's traction power subsystems was considered to provide protection, but this was being reviewed for any weaknesses. A paper would be submitted to the Board's Audit and Risk Committee following the review. The Company and Transport for London were sharing information on each company's power resilience. **East Coast Main Line December 2025 Time Table Change**: The Board was updated on changes agreed recently by the DfT and the performance programmes being developed by operators and the routes to limit the impact of worsening train performance in the first full year after the introduction of the East Coast Main Line timetable change. **Railway 200:** The Board noted the RW200 charity partnership was behind with it fundraising and that the team would be identifying how the Company might help. The Board requested: • The level crossing strategy be shared with Dyan Perry for her insights. • An update on the specific EDI interventions introduced at locations where there were acute issues and where individual targets had been set. • A paper on the benefits of remote connection devices to reduce risks to track workers and the current approach to deployment.	JK BE AH MF NK MF

	There being no further questions, the rest of the Chief Executive Officer's Report was taken as read and **NOTED.**	
	Chief Financial Officer Report The Board considered the Chief Financial Officer's report. The Board focused its discussion on the following: • **Funding**: The Company had ended the first year of CP7 with only a £20m underspend on capital delivery expenditure limits, which was a strong result. • **The Spending Review:** Proposals around the treatment of certain elements of RDEL and CDEL appear to have received a positive response from the Treasury. • **FPM**: Increased renewal costs, access issues, CP6 tail schemes in Southern Region, and project cancellations resulted in a negative financial position of £228m. Further reviews are expected to finalise the year-end position. • **Scorecards**: Period 13 scorecards were a flash position ahead of the final year end position. The CEO and the CFO were reviewing the metrics before they were presented to the Board's Nominations and Remuneration Committee. [redacted] There being no further questions, the rest of the Chief Financial Officer's report was taken as read and **NOTED.**	
25/073	**Region Update – Scotland's Railway** *Liam Sumpter joined the meeting* The Board considered paper 42/25. Liam Sumpter was invited by the Board to provide his reflections on his first year in the role and the first year of CP7. He touched on the overall positive feedback from Transport for Scotland, the significant challenges faced in the region including efficiency and performance challenges in subsequent years and gave an update on the progress towards finalising the Alliance Max with Scot Rail as a stepping-stone to deeper integration. The Board's discussion focussed on the following: • **Integration with Scot Rail:** Transport Scotland's aspiration for further devolution of powers in respect of the railway in Scotland, including in respect of ownership of the infrastructure and its proposal of a joint venture company as an interim measure. The Board reflected that: o There was a continuing challenge to build trust between Transport Scotland/Scot Rail and the Company and the best way to build trust was to see it work in practice through the Alliance Max. o The challenges of appointing the integrated executive team for the Alliance Max. o Each Region, including Scotland, should have a view on the maximum capacity of the network to understand what growth could be achieved and the cost of works to improve revenue and journey times. Rolling stock capability was also a factor. o Growth of freight in Scotland's railway would depend to a large extent on decisions taken south of the border. o The Alliance Max executive would need to work hard to establish joint objectives, noting that after 10 years of alliancing in Scotland this alignment had not been achieved so far. o Bill Reeves' move to a new role may impact adversely progress on non-rail reform matters.	

- **The Edinburgh Signalling Centre** had introduced a new system called Initiate, which was an automated process to provide safer access to the track with significant time savings. The technology was transferable where it was scalable. Recent trials have been successful, but the savings had not yet been monetised.
- **Modernising maintenance** was progressing well. The vacancy gap had fallen to 2.57%, which represented the normal attrition rate. The backlog of outstanding work (2.51%) was well below that of any other region. Scotland region was sharing its learning with the other Regions.
- **The Rolling Stock Fleet Strategy Review,** noting the insights this had provided to the procurement processes, and the alignment with the plan for ‘Signalling Scotland’s Future’. The Board learned of Scot Rail’s appointment of a new fleet director and the challenges created by the steady loss of engineers.

The Board requested that lessons arising out of the incident at the Port Glasgow were discussed at the next meeting of the Board’s Safety, Health and Environmental Compliance committee.

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

Liam Sumpter left the meeting

[redacted]

	[redacted]	
25/075	**Efficiencies** *Paul Marshall, Stephen Ford, Emma Thistlethwaite, Andrew Bishop, Carl Duranthon, Richard Denney, and Joe Boughtflower joined the meeting* The Board considered paper 44/25. Paul Marshall provided an overview of the delivery position of the Network Rail Operations, Maintenance, Support and Renewal (OMSR) efficiency target of £3.9bn for CP7. He was joined by six colleagues, each of whom presented their case studies which were well received by the Board. The focus was on recurring efficiency schemes, rather than one-offs and were built into delivery plans of the relevant regions. There being no further questions, the rest of the paper was taken as read and NOTED. *Stephen Ford, Emma Thistlethwaite, Andrew Bishop, Carl Duranthon, Richard Denney, and Joe Boughtflower left the meeting*	
25/076	**Overview of RF11 Business Planning round** The Board considered paper 45/25. Paul Marshall presented the annual update of the Company's control period Business Plan. He explained that the overall plan was tight but still compliant with financial funding available and the Government's constraint. The overlay had reduced to £488m in the last couple of months but that reduction was offset by inflationary pressures. Nonetheless, further opportunities for reduction were being identified. The Board discussed the significant risks to the business, especially regarding headcount and renewals. For inflation forecasts, scenario planning and risk ranges would be beneficial. There being no further questions, the rest of the paper was taken as read and **NOTED.** *Paul Marshall left the meeting*	
25/077	**TransPennine Route Upgrade – Quarterly update** *Ellie Burrows, Gordon Kells and James Richardson joined the meeting* The Board considered paper 46/25. The Board requested future TRU reports include: • An up-to-date statement on how the project was proceeding against the budget and schedule the Board had previously approved. • A map of the TRU programme of works, • RAG statement on priorities and granularity around the AFC, • A risk report giving the overall picture and including interface risks, and • Any other information that the Board would need to assess the progress of the TRU project. The Board asked Stuart Harvey to meet with Gordon Kells and clarify on behalf of the Board the requirements for future reports on the programme. There being no further questions, the rest of the paper was taken as read and **NOTED.**	

	Ellie Burrows, Gordon Kells and James Richardson left the meeting	
25/078	**Risk Appetite** *Ben Edwards joined the meeting.* The Board considered paper 47/25 which was taken as read. Ben Edwards presented the proposed 2025 risk appetite statements which were owned by the Board and reviewed annually. Overall, no changes were proposed to the 2025 risk appetite statement, and the reasons presented in the paper were **NOTED.** The Board praised the simplicity and clarity of the statements, especially the one-page guidance note. The Board acknowledged the potential risks linked to the introduction of the East Coast Mainline timetable, noting that the industry had prioritised revenue opportunities, which may have impacted overall reliability. The Company had proactively communicated the possible implications of this approach to the Rail Minister. The potential linkage between the timing of the Schedule 8 calibration reset, occurring two years into the Control Period, and the introduction of the East Coast Mainline timetable was noted. The Board requested an update on how risk appetite statements and guidance would be used in practice, including in making significant strategic decisions. There being no further questions, the Board **APPROVED** the 2025 Risk Appetite Statements and one-page guidance.	BE
25/079	**Provision 29 of the Corporate Governance Code** The Board considered paper 48/25. Ben Edwards explained the proposed approach to assuring the Board about the material controls of the Company. The Board requested the Audit & Risk Committee to preside over the process on its behalf. There being no further questions, the Board **NOTED**: • requirements introduced by Provision 29 of the Corporate Governance Code, and • that a trial that would be undertaken through 25/26 prior to compliance the following year. The rest of the paper was taken as read. *Ben Edwards left the meeting*	BE
25/080	**DRAFT Board agenda – 03 July 2025** The Board **NOTED** the next meeting would be held in Manchester, on 3 July, starting at 8.45 am, and the proposed arrangements for a dinner with stakeholders the previous evening. For a site visits, there were two options: Manchester Rail Operating Centre or visit the cyber protection unit. Board members may choose whichever they wanted to attend. Stuart Harvey provided his apologies in advance of not being able to attend the non-executive directors only meeting on 2 July. **Eastern region performance report September 2025**: the Board requested the Eastern Region's performance report include an update on East West Rail.	EB
25/081	**Any other business** • ***A railway fit for Britain's future* – the Government's public consultation**: The Company's submitted responses would be emailed to Board members by Molly Neal. • Steve Scrimshaw, Stuart Harvey and Dyan Perry were congratulated on completion of their one year as Board members.	MN
	There being no further business the meeting was closed.	

Date of next scheduled meeting: **3 July 2025, in Manchester.**		
	…………………………………….. Chair	