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Minutes of a Meeting of the Board
held on Thursday 18 January 2024
at Rooms 6 & 7, Ground Floor, Enterprise House, Westbourne Terrace, Paddington, W2 1HQ

Present	Peter, Lord Hendy of Richmond Hill (Chair) Rob Brighouse Mark Bayley Stephen Duckworth Andrew Haines Michael Harrison	David Noyes Mike Putnam Fiona Ross Jeremy Westlake
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 Matthew Woodhouse Lawrence Bowman (minute 24/006-008) David Harding (minute 24/006) Helen Ursell (minute 24/006) Malcolm Pitt (minute 24/007) Alison Smith (minute 24/007) Matthew Winnie (minute 24/008) Dick Fearn (minute 24/008) Paul Marshall (minute 24/009) Paul McMahon (minute 24/010) Hannah Deveson (minute 24/010) Jake Kelly (minute 24/011) Megan Stirrup (minute 24/011) Ben Brooks (minute 24/011) Melanie Foster (minute 24/011) Rob Morton (minute 24/012) Julie Territ (minute 24/012) Clive Berrington (minute 24/012) Ellie Burrows (minute 24/018) Emma Colquhoun (minute 24/018)	
Apologies	None	

No.	Item	Actions
24/001	<u>**Chair's opening remarks**</u> The Board: • Noted the Post Office (Horizon) scandal, and reflected on the importance for continuing Board oversight, and that transparency was key for a positive organisational culture and good governance; • Welcomed Matthew Woodhouse who was attending as an observer. The Board reflected on: • Their dinner held the previous evening, which welcomed feedback from guests invited by the CFO; • The upcoming Board Strategy Day, which was booked for 26 January 2024, at the Waterloo General Offices. There were two parts to the meeting – Safety (to be led by Martin Frobisher) and Succession and Talent (to be led by Pauline Holroyd).	

24/002	**Minutes of previous meeting** The minutes of the Board meeting held on 30 November 2023 were approved, subject to reconfirming the validity of a redaction against paragraph 11.	BK
24/003	**Action list** The Board reviewed the action list.	
24/004	**Directors' interests** Mark Bayley informed the Board that he became a Trustee of the St Pancras Church Lands Trust effective from 4 January 2024. The Company Secretary was requested to record the new declaration in the Register of Interests, having been agreed as posing no conflict to Network Rail, its subsidiaries or to Mark's role as a Director on this Board.	BK
24/005	**Board Report** The comprehensive Board report was reviewed and the Board focussed its discussions on: • **Wales and Western Performance** Since the November 2023 Board meeting, Michelle Handforth had resigned from her post as Managing Director for the region. Rob Cairns had been appointed on an interim basis and the Board were assured that Rob was being nurtured by the Executive Leadership Team. In the interests of creating a stable environment for the region, judged necessary to allow focus on the critical issue of train service performance recovery, the selection process for a permanent hire would not commence for some time. • **Flooding** The network had suffered from very significant flooding following the sustained and largely unprecedented rainfall over the autumn and winter, compounded by an exceptional number of named storm events. It was recognised that given the increasing frequency of such events, the company would need to ensure that it had a proportionate response for maintaining the running of trains; was robust in ensuring that drainage was adequately maintained; had appropriate mitigations in place at key known flood sites; and liaised effectively with third parties in managing risk. Separately, the Board considered the emerging observations following events at the end of December, which had resulted in a very significant disruption to Eurostar passengers. NRHS maintained the HS1 line under contract. Whilst it appeared that a pump had failed during the period, the fundamental cause of the disruption was an influx of water several times greater than anything that had been experienced in the lines' 20-year life to date. Having assumed that this may have been surface water, it however appeared to be channelled into the network in a way that had not been previously experienced. Mott Macdonald had been commissioned to deliver a full report into the causes and performance of the network which would be complete by the end of March. • **Signalling programme** The key concerns were expressed regarding the bow wave of signalling activity that was presenting in 2024 (for various reasons) and the ability of the principal contractors to deliver the programme. Management were actively working through the issues, options and consequences. • **Paddington Dewirement** Several parallel industry investigations had been undertaken regarding the cause, handling and customer impact of the significant dewirement at Ladbroke Grove on 7 December 2023. Amongst the many significant lessons detailed, a key one was the increased likelihood of passengers on the Elizabeth Line services self-evacuating, without being effectively and	

	proactively managed, given the lack of toilets, heating, lighting and pa system in the event of a prolonged electrical isolation. An independent review had been commissioned to assess where improvements could be made, and this report had now been received with recommendations for next steps. The intention was to implement clear protocols on command and control with a shared operator risk picture, alongside appropriate training and recruitment for key roles. The Chair asked for a reflection on conclusions to be provided at a later date.	AH
	[redacted] • **Senior Pay & December 2024 timetable change** Discussions with HMT and DfT were progressing the matter and the grievances and claims had been resolved. The December 2024 timetable changes were progressing and the Board would receive an update at its next meeting. **<u>Chief Financial Officer Commentary</u>** • **Financial Performance** P9 continued to be challenging due to increased severe weather incidents and ongoing issues with W&W performance. Whilst underperformance would not present a major budgetary pressure, it was however intended, that funding be bought forward from CP7 to align with regions' RF9 plans, which had proposed higher than budgeted funding requirements. A further update would be provided on the approach to RF9. The Board briefly discussed the RPS pension fund which was currently in surplus. • **Rail Investment Centre of Excellence** The level of work over the Christmas period was reported similar to previous years, and had been completed successfully, aside from West Hampstead's very minimal overrun, which was being discussed with the supplier.	
24/006	**<u>Passenger Demand Forecast</u>** *Lawrence Bowman, David Harding and Helen Ursell joined the meeting.* The Board **NOTED** paper 1/24, which provided a quarterly update on the passenger demand and the key drivers of revenue. The Passenger Revenue Optimisation Plan continued to be incorporated into the forecast which set out the 15 key strategic priorities and mechanisms required. The Board briefly discussed: • the DfT's plans and assumptions around revenue growth and the role of Network Rail. The key focus areas were joint priorities alongside GBRTT. • increasing accessibility at stations as a goal. The Board thanked Lawrence, David and Helen for their update. *David Harding and Helen Ursell left the meeting.*	

24/007	**<u>Annual Accessibility Update</u>** *Malcolm Pitt and Alison Smith joined the meeting.* The Board **NOTED** the contents of paper 2/24 and the annual update following the Boards' last discussion on the topic in December 2022. Progress had been made as the business moved towards delivering CP7 objectives and the challenge to 'deliver inclusive and accessible services and facilities'. The focus was on making a wide range of meaningful tactical improvements to accessibility at all managed stations. Given the high-profile visibility of such actions, focusing on continuous improvement was critical to maintaining and demonstrating Network Rail's firm commitment to improving accessibility in CP7. It was highlighted that there was a requirement for improving the knowledge and understanding of the wide and variable accessibility needs, and the business would be looking to embed Disability Impact Assessments alongside an independent panel to make improvements for customers. The Board briefly discussed: • the funding for accessible stations, noting that it was an extensive consultation process with the DfT; • the programme for better and cheaper for accessible footbridges. The CEO agreed to provide an update at the next Board meeting on this years' progress on the scheme; • that technology could be improved to plan journeys. However in many cases, this was regarded as not suitable due to the variety of additional needs and the requirement for real-time response and support. Whilst it was noted that a large number of Apps were available for additional needs support, there was still a reliance on updated infrastructure solutions. The Board thanked Lawrence, Malcolm and Alison for their update. *Malcolm Pitt and Alison Smith left the meeting.*	AH
24/008	**<u>Independent Review of Old Oak Common - Construction, Access and Passenger Handling</u>** *Matthew Winnie and Dick Fearn joined the meeting.* Paper 3/24 provided a summary of the Independent Review of the construction, access and passenger handling plans at Old Oak Common station, undertaken between September and December 2023. The Board **NOTED** the critical recommendations of the Review which had been chaired by Dick Fearn, which had ensured the needs of customers and the interests of taxpayers had been at the forefront of the considerations. Amongst other things, the Board discussed that a review was required of leadership to better support these recommendations; the need to optimise the use of scarce funding to mitigate route closures; and measures such as information hubs to improve customer experience. The Board thanked Matthew, Dick and Lawrence for their update. *Matthew Winnie, Dick Fearn and Lawrence Bowman left the meeting.*	
24/009	**<u>Function presentation – CFO directorate</u>** *Paul Marshall joined the meeting* Jeremy Westlake outlined the structure, key functions and priorities of the CFO directorate: • The directorate encompassed key departments in addition to finance: Legal and Corporate Services, led by Susan Beadles; Audit and Risk led by Ben Edwards; Planning and	

	Regulation led by Paul McMahon; Property and the generating of profits for assets, led by Robin Dobson; and the Rail Investment Centre of Excellence, led by Christian Irwin. • Network rail Consulting Ltd, the consultancy arm led by Nigel Ash, was operating in Australia, North America and the Middle East, was accelerating progress of their programmes, which would increase visibility of Network Rail overseas and increase business opportunities. Susan added that Legal and Corporate Services oversaw the quality and consistency of legal support and advice, which operated links to external legal firms, data protection, ethics and the company secretariat; Paul elaborated on his work alongside all regions, including the functions that lead on periodic reviews, ensuring compliance with regulatory obligations, as well as the efficient allocation of funding. Amongst other things, the Board briefly discussed: • The next steps to deliver efficiencies for CP7. This related to risk funds allocations, and stress testing plans that had already been proposed. • Exercising asset lifespan reviews; • ‘Coffee Roulette’ which sought to share information between a diverse mix of participants’ background and experience within the business. The Board thanked Paul and Jeremy for their insight, hard work and leadership. *Paul Marshall left the meeting*	
24/010	**<u>Accepting ORR’s CP7 decisions and next steps</u>** *Paul McMahon and Hannah Deveson joined the meeting.* The Board had discussed the context, proposed recommendations and key challenges previously at the last Board meeting on 30 November 2023. Prior to submission to the Board, the Executive Leadership Team had reviewed the content of Paper 5/24, which provided a comprehensive response to the ORR on the final determination on CP7. The Board discussed: • The need for continuing change management. Larger adjustments would require ORR approval and the rebalancing of targets and budgets, as well as the drawdown of risk funds. There was some concern related to managing change for CP7 in the current challenging environment, though some flexibility had been negotiated as part of the settlement. • The development of delivery plans and the intention to submit draft plans along with the response letter. It was envisaged that quality delivery plans would be finalised by mid-year as discussions evolved with opinions provided by the ORR; and • That planning of maintenance was key to balancing the reduction in renewals. The Board: 1. **AGREED** with the recommendations to formally accept the ORR’s final determination decisions on CP7; 2. **DELEGATED** authority to Andrew Haines and Jeremy Westlake for final sign-off of the GB delivery plan document; and 3. **NOTED** the draft acceptance letter and its content provided at Annex 1 The Board thanked Paul for the update. *Paul McMahon and Hannah Deveson left the meeting.*	

24/011	[redacted]	
24/012	**<u>Operation and Maintenance of NR's Seasonal Fleet</u>** *Rob Morton, Julia Territ and Clive Berrington joined the meeting* [redacted] The Board thanked Rob, Julia and Clive for their update. *Rob Morton, Julia Territt and Clive Berrington left the meeting.*	
24/013	**<u>Committee updates</u>** The Board was verbally updated on recent meetings of the: **i. Environmental Sustainability - 6 Dec 2023**	

	Chair of the Committee, David Noyes, summarised that: ➢ progress had been made on the decarbonisation strategy, namely on scope 1 and 2 emissions. Scope 3 emissions related to the supply chain and these targets were being negotiated; ➢ the role and opportunity for rail freight use should be emphasised in communications, as bringing freight off the road and onto the railway, however powered, would significantly decarbonise and positively impact on the country; ➢ the sustainability team were now looking to carry out a review of the environmental sustainability strategy in the context of CP7 funding and the weather-related aspects of climate change and how these would impact on the strategy going forward. **ii. Property Supervisory Committee - 17 January 2023** Chair of the Committee, Mark Bayley, summarised that: ➢ the Committee had visited Victoria Station as part of their deep-dive, which was considering the relocation of the coach station as well as a new residential development near the site. ➢ the property team were currently reviewing housing commitments and the convenience of making a joint application, as well as looking into Charing Cross Station in terms of presentation and retail interest; ➢ the sale of James Forbes House was still pending, works were underway on the development in Cardiff, and Liverpool Street's planning permission was being applied for; ➢ a property intranet section was being considered to broadcast updates to the wider business; and finally ➢ the DevCo merger was now seeking HMT approval, following which, the transaction was expected to be completed as soon as possible.	
24/014	**Company Secretary's Report** The Board **NOTED** the contents of paper 8/24 which provided an update from the Company Secretariat. The Board: 1. **NOTED** the extended filing deadlines for the Financial Statements of Network Rail Consulting Limited and Network Rail International Limited, of 31 March 2024; 2. **NOTED** the changes to the Power of Attorney which delegated the duty for execution of deeds, being effective from 4 December 2023; and 3. **RATIFIED** the use of the Company seal.	
24/015	**Prosecution report** The Board **NOTED** the contents of paper 9/24.	
24/016	**Draft Board Agenda** The Board reviewed the draft agenda for the next meeting on 15 February 2024, which would be held in Stratford, London.	
24/017	**Dates of Future Meetings** The Board reviewed the future meeting dates for the 2024 calendar year.	

24/018	**<u>Any other business</u>** [redacted] [redacted] [redacted] [redacted] [redacted] [redacted] [redacted]	
Date of next scheduled meeting: 15 February 2024		
	…………………………………….. Chair	