

# NETWORK RAIL LIMITED

<b>Official-sensitive</b>  <b>Minutes of a Meeting of the Board</b> <b>held on Thursday 16 January 2025</b> <b>Q01/Q02, Network Rail, The Quadrant, Milton Keynes, MK9 1EN</b>														
<b>Present</b>	Mike Putnam (Acting Chair) Ismail Amla Stephen Duckworth Stuart Harvey Sir Andrew Haines Carolyn Battersby	David Noyes Mark Bayley Fiona Ross Stephen Scrimshaw Dyan Perry * Jeremy Westlake*												
<b>In attendance</b>	Susan Beadles David Leam Molly Neal Julie Pharaoh													
	Cathy Crick (Minute 25/015)* Clive Berrington (Minute 25/017 and 25/018)  * Via video conference	Michael Clark (Minute 25/016) Julia Territt (Minute 25/018)*												
<b>Apologies</b>	None													
<b>No.</b>	<b>Item</b>	<b>Actions</b>												
25/001	<p><b><u>Chair's opening remarks</u></b></p> <p>The Acting Chair welcomed everyone to the meeting.</p> <p>The meeting was declared quorate.</p> <p>On behalf of the Board, the Acting Chair congratulated the Chief Executive Officer on his Knighthood in the 2025 New Years Honours list.</p> <p>The Board reflected on:</p> <ul style="list-style-type: none"> <li>• The proposal to postpone the Board Strategy Day diarised for 30 January 2025, to the day before the March 2025 Board meeting.</li> <li>• On behalf of the Board, the Acting Chair congratulated the CEO and the business on the successful 2024 Christmas works and the Network Rail team's effort to support successful delivery.</li> <li>• The Rail 200 celebration programme.</li> <li>• Progress by the DfT in its search for the permanent Chair of the Board.</li> </ul> <p>An update on the Scottish Government Network Rail provided by Fiona Ross. The Board noted that Fiona's appointment as a non-executive director of the Scottish Government would conclude in January 2025.</p>													
25/002	<p><b><u>Minutes of previous meeting</u></b></p> <p>The minutes of the Board meeting held on 5 December 2024 were approved subject to minor amendments to be approved by the Acting Chair.</p>	GovSec												
25/003	<p><b><u>Action Schedule</u></b></p> <p>The Board reviewed the action schedule.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;">Action</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td>Action 24/140</td> <td>Remove</td> </tr> <tr> <td>Action 24/130.1</td> <td>Closed – revised CFO financial report to be provided to the Board at the February meeting.</td> </tr> <tr> <td>Action 24/130.2</td> <td>Closed</td> </tr> <tr> <td>Action 24/086</td> <td>Closed. Update provided in the CFO financial report.</td> </tr> <tr> <td>Action 24/005</td> <td>Closed</td> </tr> </tbody> </table>	Action	Response	Action 24/140	Remove	Action 24/130.1	Closed – revised CFO financial report to be provided to the Board at the February meeting.	Action 24/130.2	Closed	Action 24/086	Closed. Update provided in the CFO financial report.	Action 24/005	Closed	
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	<p><b><u>Directors' interests</u></b> The Board NOTED that there were no new interests.</p>	
25/004	<p><b><u>Approval of draft minutes for the 16 January 2025 meeting</u></b> The draft minutes for items on the Consent Agenda were approved and are set out below.</p>	GovSec
25/005	<p><b><u>Company Secretary's Report</u></b> The Board considered of the report from the Company Secretary (paper 01/25).</p> <p>Following due consideration, the Board:</p> <ol style="list-style-type: none"> <li>1. <b>NOTED</b> the filing of the PSC05 forms for Network Rail MTN Finance Limited and Network Rail Infrastructure Finance PLC on 18 December 2024.</li> <li>2. <b>NOTED</b> the extended filing deadline for Network Rail Development Limited Financial Statement to 31 March 2025.</li> <li>3. <b>RATIFIED</b> the use of the Company seal.</li> </ol> <p>The paper was taken as read and NOTED.</p>	
25/006	<p><b><u>Prosecution Report</u></b> The Board considered and <b>NOTED</b> the contents of the report (paper 02/25). The paper was taken as read.</p>	
25/007	<p><b><u>Nomination and Remuneration Committee Update</u></b> The Board <b>NOTED</b> the contents of paper 03/25 which recorded the summary, given to the Board verbally at its previous meeting, of its Nomination and Remuneration Committee. The paper was taken as read.</p>	
25/008	<p><b><u>Draft Board Agenda</u></b> The Board reviewed the draft agenda for the next meeting to be held on 13 February 2025, in London.</p> <p>The Board decided that draft future Board agendas would be included as the penultimate item on the agenda, not included as an item in the Consent Agenda. Five minutes would be allotted for the Consent Agenda at each future Board meeting. There being no further questions, the rest of the paper was taken as read and NOTED.</p>	
25/009	<p><b><u>2025 Network Rail Performance Reports Schedule</u></b> The Board considered the contents of the 2025 Network Rail Performance Reports Schedule and the dates of future 2025 meeting dates.</p> <p>The Board considered and <b>APPROVED</b> the 2025 Network Rail Performance Reports Schedule.</p>	
25/010	<p><b><u>Board Report</u></b> The comprehensive Board report was reviewed. The Board focused its discussion on the following:</p> <ul style="list-style-type: none"> <li>• <b>GSM-R Incident:</b> The inaccurate reports in the media of the unplanned outage of the GSM-R core network head code registration services on 6 December 2024. The technical fault was attributed to a system error which impacted the train driver's ability to register their train service when logging on and it was driver lack of familiarity with this procedure which generated delay rather than any failure in safety systems or the need for any precautionary speed restrictions.</li> <li>• <b>Completion of the replacement of the bridge deck at Agar Grove in Camden:</b> The Board NOTED the successful completion of the engineering works over the Christmas period, and the visits to the site by Mark Bayley and Sir Andrew Haines.</li> <li>• <b>Oxford, Botley Road Work:</b> The upcoming meetings with local political leaders, residents, and local business representatives schedule for 17 January 2025, to update the parties on the earliest expected completion date of August 2026. Following challenge from the Board to determine what further actions could be taken to alleviate the situation it was explained that the team was being strengthened to bolster its project management and stakeholder communications capability. Works was also underway to identify what went wrong and ensure lessons were learnt.</li> </ul>	

- **ORR Prosecutions relating to incidents at Margam and Surbiton:** The Board reflected on the tragic incidents at Margam and Surbiton and NOTED the dates of the sentencing hearings. Network Rail was determined to learn lessons from these incidents and has implemented fundamental changes to its practices and procedures to minimise the risk of a repetition.
- **British Transport Police service provision:** Following the conversation in the previous Board meeting the Board NOTED the outcome of the meeting between AH and the BTP Chief Constable, and the improvements made to the service provided.
- **Christmas Works** - 99.5% of engineering possessions over the Christmas period handed back on time or early. Specific planning was undertaken for Euston station due to the significant service alterations both on that route and adjacent routes and in anticipation of significant train crew shortages that did not materialise in the end.
- **Delays Per Incident** – The railway had its best week’s performance in the weeks around Christmas, when fewer people were travelling. Three work streams are being led by the Network Performance Board to analyse the results: timetabling; train crew resource and time for Network Rail to fix infrastructure. The Board asked for further information on understanding the causes of train crew unavailability and its causes once the DfT’s analysis has been completed.
- **Update on management pay negotiations:** The Board was notified of the satisfactory conclusion of the management pay negotiations. The Board discussed the different arrangements for train operating companies and its impact on GBR.
- **Trespass on the railway:** The Board NOTED trespass was a recurring item of discussion at the now frequent meetings between the Chief Executive and the Chief Constable .
- **Polychlorinated Biphenyls:** The Board NOTED the environmental legislative ban on polychlorinated biphenyls (PCBs) after December 2025 and the challenges this created in relation to legacy high voltage switchgear that is not life expired.

**Chief Financial Officer Report**

**Financial Performance:** The Board was updated on the following matters which were NOTED:

- **National Insurance Contributions:** The financial impact on the increase in the National Insurance contributions and the possibility of some funding being received from the DfT.
- **Overlay:** That the Chief Financial Officer would be appearing at the ORR Board to discuss the overlay.
- **Regulation:** The response to the ORR on regulatory metrics for the reset of passenger performance outcomes and the Schedule 8 regime for years 3 to 5 of CP7.

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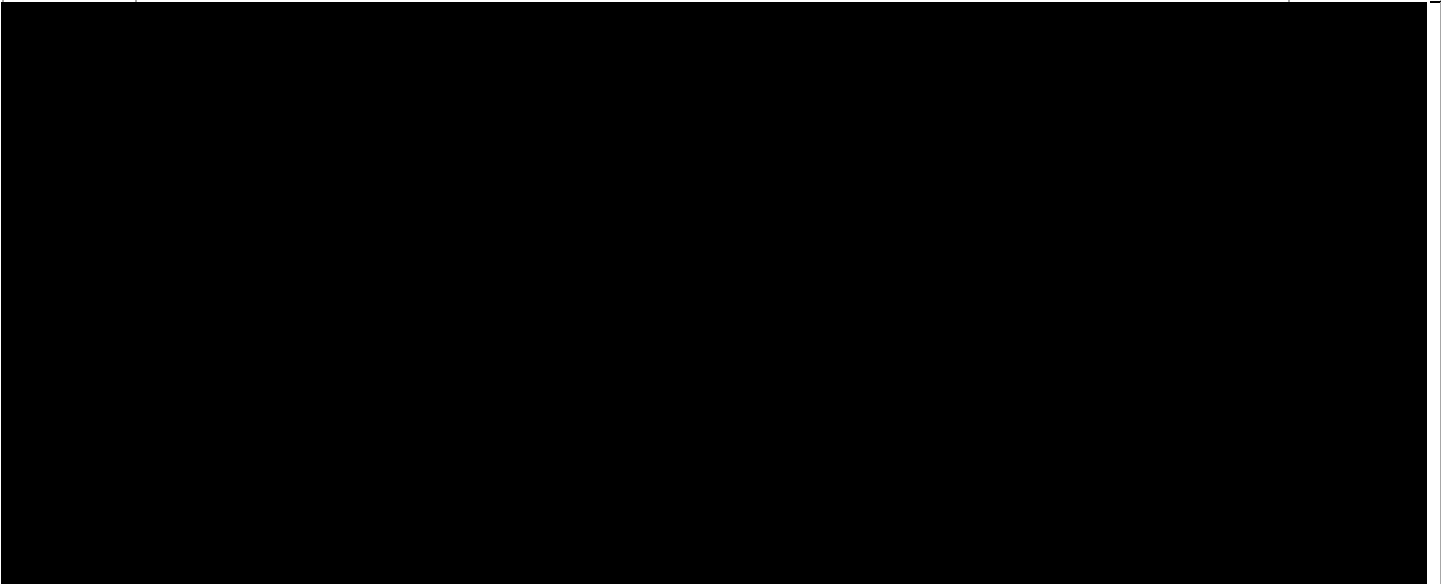
25/016	<p><b><u>Rail Reform – Shadow Great British Railways</u></b></p> <p style="text-align: center;"><i>Michael Clark joined the meeting</i></p> <p>The Board considered paper 05/25 which provided an update on rail reform and the activities of shadow GBR.</p> <p>The Board focused its discussion on the following:</p> <ul style="list-style-type: none"> <li>• The update on the timeline for the Railway Bill.</li> <li>• The planning assumption that the GBR CEO recruitment process would not start until an appropriate time in the passage of the Rail Bill.</li> <li>• The Secretary of State’s letter to the SGBR Chair.</li> <li>• The future role of the GBRTT team.</li> <li>• Local integration pilots, in relation which the Board sought and obtained confirmation that they would not impact the separate organisational accountabilities.</li> <li>• The request that the Board consider appointing a sub-committee of its members to review, advise and challenge on rail reform matters. The Board decide to establish a sub-committee consisting of Mike Putnam, Dyan Perry, Mark Bayley, Ismail Amla, and David Noyes. The sub-committee would meet as and when required and provide regular reports to the Board.</li> </ul> <p>There being no further matters the paper was taken as read and <b>NOTED</b>.</p> <p style="text-align: center;"><i>Michael Clark left the meeting</i></p>	
25/017	<p><b><u>Function Presentation – Route Services</u></b></p> <p style="text-align: center;"><i>Clive Berrington joined the meeting</i></p> <p>The Board considered paper 06/25 which provided an overview of the Route Services functional performance and strategy.</p> <p>The Board’s attention was drawn to the following matters:</p>	

- Route Services was a critical area with 130 disparate services and a turnover of £2bn.
- The operational day to day activities overall has generally functioned well but the function needed to focus more on strategy which they are now doing.
- Future strategy was particularly focused on services that could be scaled for wider industry under GBR and innovation in areas such as AI, Data, and Drones. There is complexity to scale services for GBR which was being worked through.
- The supply chain summary was noted by the Board.

The Board discussed the following matters:

- The Board probed on the rollout of electric vehicles and charging points.
- There was a wide-ranging discussion on AI. This included the need for ensuring there are sufficient governance arrangements in place concerning AI usage and safeguards around how and where AI is used within the business.
- The Board discussed the management of technical debt in relation to IT and Telecoms.
- It was recognised that Network Rail has done a lot of work in the Cyber Security area, but more focus would be given to the management in its supply chain.
- The Board questioned the opportunities / challenges in Training.
- Overall, the quality of the paper and presentation was complimented.

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



<p>25/019</p>	<p><b><u>Committee Updates – Verbal</u></b>                  A verbal update was provided Property Supervisory Committee meeting on the 15 January 2025.</p> <p>Managed station spend was reported as being up 6.6% from the same quarter in 2024 and was 1.1% up on the overall retail sector performance. Station footfall had moved from 3% to 6.7% for the last quarter. The Marks and Spencer’s, Waterloo branch, had been proposed for the World’s Best Convenience store award and the highest sales store in all the UK travel sector.</p> <p>There being no further questions, the update was NOTED.</p>	
<p>25/020</p>	<p><b><u>Any other business</u></b>                  Sachna Shah would be observing the 13 February 2025 Board meeting as a Board Apprentice, as part of the Department of Housing, Communities and Local Government programme.</p> <p>There being no other business the meeting was closed.</p>	
<p>Date of next scheduled meeting: <b>13 February 2025, at Network Rail, Level 2 Board Room, London Waterloo General Offices, London, SE1 8SW.</b></p>		

	..... Acting Chair
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