


**CALEDONIAN SLEEPER LIMITED (CSL)**
**MINUTES OF BOARD MEETING**

**Wednesday 16 April 2025, 13:00 – 17:00**  
**Pacific House, Glasgow / Microsoft Teams \***

**Present:** Graeme Cook - Non-Executive Director, deputising for the Chair  
 Kathryn Darbandi - Managing Director  
 Graham Eastwood - Operations Director  
 Hugh Anderson – Finance Director  
 Sam Price, General Counsel  
 Carolyn Griffiths – Non-Executive Director and Chair of SHEC\*  
 Neil Amner – Non-Executive Director, Company Secretary and SRH General Counsel\*

**In Attendance:** [REDACTED] – Guest Experience Director (for item 14)  
 [REDACTED] – Head of Digital Transformation (for item 15)\*  
 [REDACTED] – Programme Manager (for item 15)  
 [REDACTED] – Board Secretary

**Apologies:** Hannah Ross – Chair  
 Graham Kelly – Commercial and Procurement Director  
 Jackie Robertson – SRH Rail Management Lead

**Agenda Item 1: Welcome**

1. The Chair welcomed everyone to the meeting.

**Agenda Item 2: Apologies and Quorum**

2. Apologies were noted. The meeting was quorate.

**Agenda Item 3: Declaration of Interest**

3. There were no declarations of interest.

**Agenda Item 4: Minutes of previous meeting**

4. The Board approved the redacted and unredacted minutes of the meeting on 19 March 2025 subject to an addition at paragraph 19 to note that the review undertaken was using the RSSB ESG maturity model.

**Agenda Item 5: Matters Arising**

5. Carolyn Griffiths said that there were a few matters discussed at the previous Board meeting where actions had to be taken but these actions had not been noted. In relation to actions regarding protected disclosures and complaints, stage gate review, risk management, and the service contract with ScotRail, the Board noted that these had been noted and were all listed on the action tracker, the discussion on which is noted below.

6. Carolyn Griffiths referred to paragraph 25 of the minutes of the previous meeting where the Board approved the draft 2025/26 Business Plan subject to the Chair of SHEC approving the KPIs for health and safety and sustainability and said that a follow up meeting had been held, and she asked when the KPIs would be submitted to the Board for approval. The Operations Director said that it was his understanding that Carolyn Griffiths was going to send her comments on the safety plan so that the KPIs could be finalised and sent to the Board for approval. Carolyn Griffiths said that she would send a note to the Operations Director.

7. The Board considered the list of actions arising from previous meetings.

*Action 9: ARC to consider risk appetite then discuss at Board*

The Board noted that this action was awaiting the outcome of the risk appetite discussion by SRH Board. The Chair said that this was considered by the SRH Board at its meeting on 3 April 2025 where it was agreed that additional review had to be undertaken and the SRH Board will consider this further at its meeting on 22 April.

*Action 18: Risk assessment operational framework and assurance requirements for SHEC*

SRH General Counsel and the SRH Audit and Risk Manager are preparing a paper on this for the Board's consideration. The target date, as noted on the action tracker, is June 2025.

*Action 2/2025: Prepare stage gate review model for locomotive project*


This work is being progressed and as noted on the action tracker, will be submitted to the Board at its meeting on 14 May 2025.

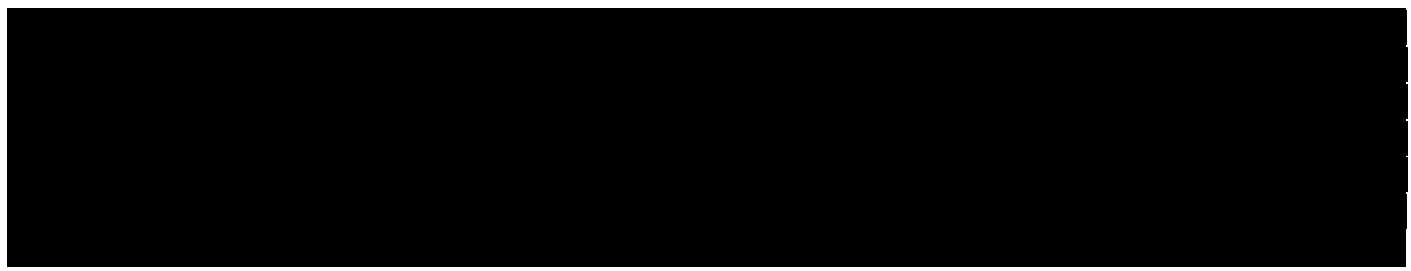
*Action 12/2025: Quarterly schedule for meetings of the Remuneration Committee*

The Board Secretary said that she was waiting for a response from the Chair of the Remuneration Committee and would try and sort the schedule before the next meeting of the Board.

*Action 13/2025: Determine frequency of reports to the Board on complaints and protected disclosures*

The Board noted that, going forward, the reporting pack for the Board will include a dashboard on people matters and the Managing Director suggested that the number of complaints and protected disclosure reporting could be included in that dashboard which could be presented at the June Board meeting. The Board discussed this and agreed that the proposed categories to be included in the dashboard covering complaints and protected disclosures should be submitted to the May meeting of the Board.

*Action 14/2025:* 



*Action 15/2025: Confirm timescale for receipt of response from Risktec to four questions raised by Chair of SHEC*

This matter was discussed under item eight of the agenda.

## **Agenda Item 6: Grant Agreement Report**

8. The Board considered the Grant Agreement Report.

9. SRH General Counsel referred to the KPI scorecard and asked if there was any concern over the red status regarding staff absences and on safety and security. The Managing Director said that the absence rate has been at green status all year but the prior month had put this slightly over target due to some long term sick absences. In relation to safety and security, the Operations Director explained the reasoning for each category being over target, namely:

- SPADs – there have been two SPADs during the year against a target of zero and these were being actively managed with GBRF and through SHEC
- Lost time incidents – there was some increase mainly due to youths boarding the train and causing disruption which resulted in staff absence
- Customer accidents mainly related to berth tables which have been removed
- Staff verbal and physical abuse – there has been some increase in the number of incidents, verbal only in the reporting period, but not in the severity level. Internal training is given to staff and train managers are empowered to deal with incidents. Work is on-going with British Transport Police in relation to instances of abuse, and the next CSL initiative to assist will be body worn cameras for CSL staff.

10. The Board discussed complaints made by customers in relation to in-room facilities and considered whether a report should be submitted to the next meeting of the Board setting out the reasons for complaints over the past six months. The Managing Director said that this information was contained in the Voice of the Guest surveys which the Board has sight of. The Board agreed that the most recent survey should be re-circulated to the Board and then a decision can be taken on whether the Board requires further information.

11. The Board noted the low SQUIRE compliance score in relation to station lounges (via third party). The Managing Director said that this was a result of two lounges that had been closed on a few days leading to their permanent closure, as it would have not been cost effective to employ staff to keep these open when permanent closure was imminent, and this factor not being taken account of in relation to the SQUIRE score. The Chair said that he would speak to the SRH Rail Business Director for an update on the derogations required regarding lounge closures and Totems.

12. The Chair noted that the grant agreement report detailed CSL's positive performance against targets and positive financial performance. He said that locomotive failures appeared to be trending upwards and asked if there were any contract or supplier issues. The Managing Director said that the CSL contract management processes were excellent, and these would be shared with the Board.

## **Agenda Item 7: Financial Approvals**

13. There were no financial approvals for the Board to consider.

## **Agenda Item 8: Coach Cracking Update**

14. The Operations Director gave the Board an update on coach cracking including the following:

- The attestation certificate for the interim solution was received on 27 March 2025 which enabled modified coaches to be returned to service
- Nine coaches have had the interim modification fitted with the tenth being undertaken today
- Six coaches are awaiting the interim modification to be fitted, most of which have sub-surface defects rather than cracks
- 62 coaches are in service with a full service to be resumed by the end of April
- Work is being undertaken on the practicality, cost and benefit for the interim modification to be fitted to the full fleet, alongside the timescale for the development of the design life solution

- Visual inspections continue to be undertaken weekly, confirmation has been received from the manufacturer that this inspection timescale is adequate
- NDT testing is being undertaken every four to six weeks
- Secondary retention trial was successful, and work is being progressed for fitment
- Outstanding actions should be closed as soon as possible

15. After in-depth discussion, the Board agreed that the following should be submitted to the next meeting of the Board:

- The business case on whether the interim modification should be fitted to the whole fleet
- The policy for NDT, informed by the read-out from the NDT session held on 15 April
- The CAF validation letter

**Agenda Item 9: TSSSA Update**

16. There was no update for the Board to consider.

**Agenda Item 10: Approvals Tracker**

17. The Board considered the status of outstanding approvals from SRH and Transport Scotland.

[REDACTED]

[REDACTED]

*Derogation relating to patronage KPI*

The Board noted that this was still outstanding and that the SRH Rail Business Director was pursuing this with Transport Scotland.

*Delegated authority for Executive Team to approve CSL policies*

The delegated authority had been agreed by the Board previously for initial policy approval by the Executive Team, subject to confirmation of compliance with the Scottish Public Finance Manual and other applicable Scottish public sector policies/guidance. [REDACTED]

[REDACTED]

**Agenda Item 11: Locomotive Workstream Update**

18. The Board considered the update on the locomotive procurement. The Board noted that [REDACTED] expressions of interest had been received and [REDACTED] had progressed to pre-qualification questionnaire stage for response by 18 April. Thereafter, the responses to the questionnaires will be assessed and the market engagement phase will commence with an indicative timescale for completion by end August 2025.

19. The Board agreed that CSL should ask Transport Scotland to schedule IDM consideration of the business case. The Board also agreed that a schedule of key dates should be submitted to the Board so that these can

be put into the Board meeting planners for CSL and SRH.

### **Agenda Item 12: Finance Report**

20. The Board considered and noted the finance report for the period.

21. The Finance Director said that the split between RDEL and CDEL for the transition project costs was now split at ■■■% which would impact the 2025/26 forecast.

22. The Board noted the new format for the finance report and agreed that any required explanation on the new format could be given at Board meetings rather than separate sessions having to be held.

### **Agenda Item 13: Pay Talks Update**

23. The Operations Director said that a meeting had been held with the trade unions earlier in the day and the pay offer would be submitted to the trade union executive committee and thereafter, as the proposal was for a two year deal, a referendum would be undertaken to obtain the consent of union members. He said it was likely that a decision on acceptance of the pay offer would be received within two to three weeks. He said that the trade union representatives had been complimentary of the management of the pay process this year.

### **Agenda Item 14: Business Deep Dive, Guest Experience and Fleet**

#### *Guest Experience*

25. The Guest Experience Director gave the Board a presentation on the quarterly business update on guest experience including:

- Disruption management strategy
- Lounge strategy implementation
- Food and beverage update
- Accessibility update

26. The Board discussed the processes to keep staff up to date with the disruption management procedures. In relation to the checklists for disruption management, the Board noted that consideration should be given to having a hard copy of each checklist readily available in the event of any digital outage. CSL General Counsel said that this could be covered under the business continuity review.

27. The Board also discussed the methods in place to assist visually impaired customers and noted that an equality forum was in place to review equality processes and practices continually.

28. The Board thanked the Guest Experience Director for the informative presentation.

#### *Fleet Stewardship Report*

29. The Operations Director gave the Board a presentation on the fleet stewardship quarterly report including:

- Projects – coach cracking recovery plan, 61 way jumper, HVAC and wheelset overhauls
- Winter ramp down – maintenance, other improvements/workstreams and modifications
- Final acceptance
- Reliability – CCTV/Wifi and HVAC
- Availability – galley, coach and berths

- Locomotives – class 73s and class 92s

30. The Board discussed the main issues that affect berth availability and in particular the issues relating to water quality and where rooms are without water due to a problem. The Operations Director said that the maintenance regime was adequate, but consideration would be given to an optimal testing programme. The Board thanked the Operations Director for the informative presentation.

#### **Agenda Item 15: Transition Project Update**

31. The Head of Digital Transformation and the Transition Project Programme Manager joined the meeting for this agenda item and gave a presentation to the Board on the current position with the project.

32. The Board noted that:

- Human Resource and Finance functions were now fully live on the new system and all was progressing well
- All data for the above had transitioned to the new system without problem and the previously identified risk regarding data transition had not materialised as project managers had obtained required data from serco earlier than needed which helped the transition process
- The second parallel run for payroll had been completed with a 96% match, resulting in a minor monetary difference of under £1
- The work of the Business Readiness Board will continue until all workstreams have been delivered
- Positive feedback on the new system had been received from users
- The project remains in budget

33. The Chair noted that it was important to ensure that sufficient time is given to project closure and lessons learned as the SRH Group will want to know the reasons for this huge project having progressed so well and if there is anything that would be done differently. The Board thanked all involved in the project for the excellent work.

#### **Agenda Item 16: Committee Updates**

34. The Board noted the approved minutes of the Audit and Risk Committee meeting held on 4 December 2024. Carolyn Griffiths said that the Board should be given a copy of the external auditor's report on the audit of the annual report and accounts. She also said that the Audit and Risk Committee does not manage risk and amendment in this regard may be required to the approved minutes.

#### **Agenda Item 17: Any Other Business**

35. The Board noted that this was the Managing Director's last meeting as she would be retiring on 20 April 2025. The Chair said that on behalf of the Board, the SRH Board and Transport Scotland, he would like to note sincere gratitude and thanks to the Managing Director for the significant contribution that she has given to the work of CSL, in particular the excellence in guest experience, the transition from the private to the public sector, and the excellent delivery of the business transition project.

#### **Date of Next meeting**

36. The next meeting of the Board will be held on 14 May 2025.