



CALEDONIAN SLEEPER LIMITED (CSL)

MINUTES OF BOARD MEETING

Wednesday 15 May 2024, 13.00 – 16.00

Glasgow / Microsoft Teams

Present: David Lowrie (Non-Executive Director – Chair), Kathryn Darbandi (Managing Director), Graham Eastwood (Operations Director), Hugh Anderson (Finance Director, Graham Kelly, Commercial and Procurement Director

In attendance: Sam Price (CSL General Counsel), [REDACTED] (minute taker), [REDACTED] (CSL, Head of Sales and Marketing – item no. 9), Bill Reeve (items no. 4&5), Richard Cairns (SRH Chair – items no. 4&5)

Apologies: John MacQuarrie (Non-Executive Director), Emma Dixon (Non-Executive Director), Carolyn Griffiths (Non-Executive Director)

Item No.	Item
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1. Welcome

The Chair welcomed all to the meeting.

2. Apologies for absence and quorum

Apologies were **noted** from JM, GK and ED. The meeting was quorate.

3. Declaration of interest and conflicts

If the Chair determines a Director has a conflict in relation to any matter, they may decide that the Director absents themselves from any discussion or decision on that matter, relating to the matter; remains present during any discussion or decision but may not participate in the discussion or decision; or remain present and participate in the discussion, but contribute only statements of fact. In no case may a Director whom the Chair has determined to have a conflict of interest in relation to a matter either vote on a decision concerning that matter or contribute more than statements of fact to any discussion of the matter.

No new declarations were made.

4. Coach cracking business update

GE provided an update on discussions with CAF. [REDACTED]
 [REDACTED] Priority now is the development of a temporary solution which offers the best potential timescales for returning withdrawn coaches to service .



The Board requested an update on the frequency of inspections, was informed and **noted** that the fleet is being inspected every two weeks. CSL team is also carrying out monthly assurance checks on the issue. Additional steps include a catastrophic failure plan.

GE explained gauge infringements in detail and the risks it poses, noting that some risks around the anti-roll bar detachment are contained by design from becoming a derailment risk.

The Board **noted** that a Hazard ID session with CAF was held on 7 May. Outcomes are around NDT and invisible damage.

The Board was presented with visual images of ARB finite element analysis showing the current design compared to the proposed temporary design. The Board **noted** the large fatigue margin.

The Board requested an update on timescale and **noted** that CSM approvals are not required for [REDACTED] solution as it is reversable. It could therefore be as early as Q3 for its manufacture and installation on trains.

[REDACTED]

BR and RC **noted** the continued professionalism around the difficulty of this situation and congratulated the Board and Executive on their handling of it.

[REDACTED]

The Board **noted** an outstanding point of clarification from KD on how information is provided to Transport Scotland and from there to the Ministers. BR **noted** it would be prudent to provide the Minister with an update and provide reassurance that there is a contingency plan. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]



- [REDACTED]

5. Coach cracking legal update

SP provided an update on the legal position arising from the coach cracking issue. This agenda item was minuted separately due to it being privileged information.

6. Review of Grant Agreement Report

KD presented the paper for discussion.

The following highlights were considered in particular:

- Website redesign (see agenda item 9).
- Grant agreement updates are approved (see agenda item 8).
- Legal advice obtained for dispute with CAF (see agenda item 5).
- Successful talks with the trade unions.
- ESG Manager has started and is settling in well.
- ICT training has been carried out.
- Positive security audit and positive annual review from ORR.
- Safety plan launched and embedded in the business.

The Board heard a brief report on the Safety, Health and Environment Committee (**SHEC**) meeting, noting that the committee requires a second meeting to complete their agenda.

The Board thanked KD for the report and **noted** that the report will be updated in the next period to align with the revised grant agreement, derogation and business assumptions (see agenda item 7).

7. CSL Budget reforecast

HA presented the budget reforecast noting that the CSL RDEL forecast for 2024/25 has not been updated since the budget was created in January. A number of variables previously shown as risks and opportunities have moved forward such that they can now be included in a full year update to the forecast position.

[REDACTED] The Board **noted** the paper.

8. Grant Agreement Review update

SP presented the update noting that the agreement had been approved by SRH.

The paper shows some new elements of compliance which SP will be responsible for managing. Outputs will be presented in the next period.

Board **noted** the paper.



9. New CSL website demo

Steven Marshall joined the meeting to present the refreshed website. The Board **noted** the improved architecture of the website.

SM noted that the website had been adapted to factor in accessibility enhancements as well as visual impact and enhanced content.

The Board **noted** that the new website would be live to the public by the end of May.

10. Previous meeting minutes — 17 April 2024

Minutes of 17 April 2024 were approved, subject to the Chair’s approval of minor changes. If any changes are material changes the minutes will be recirculated.

11. Actions arising from previous meeting

The action tracker was amended to reflect discussion.

12. AOB



13. Date of next meeting

Wednesday 12 June 2024, Pacific House, Glasgow