



CALEDONIAN SLEEPER LIMITED (CSL)

MINUTES OF BOARD MEETING

Wednesday 17 April 2024, 13.00 – 16.00

Glasgow / Microsoft Teams

Present: David Lowrie (Non-Executive Director – Chair), Kathryn Darbandi (Managing Director), Graeme Eastwood (Operations Director), Hugh Anderson (Finance Director), Carolyn Griffiths (Non-Executive Director)

In attendance: Sam Price (CSL General Counsel), [REDACTED] (minute taker), [REDACTED] (SRH Board Secretary)

Apologies: John MacQuarrie (Non-Executive Director), Graham Kelly (Commercial and Procurement Director) and Emma Dixon (Non-Executive Director)

Item No.	Item
----------	------

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.

Hugh Anderson (HA) did not declare any interests.

4. Board Appointment

IT WAS AGREED to appoint HA as Finance Director of CSL. The Board authorised ED to complete the relevant documents and file at Companies House.



5. [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

ACTIONS:

- [Redacted]

6. **T-Slot Cracking – Business update paper**

The Board **noted** the paper and **approved** in principle to proceed with the feasibility work for an alternative design, subject to agreeing the costs of the required work.

[Redacted]

[Redacted]

[Redacted]

7. **T-Slot Cracking – Risk analysis paper and scenario planning**



The Operations Direction circulated a deep dive paper which assessed the threats to the delivery of the business plan and risks of the T-Slot cracking issue and the effectiveness of the associated controls. The paper was **noted** by the Board.

The Managing Director presented scenarios for cracking being found in additional sleeper, accessible or club/seated coaches, the contingency arrangements which would be enacted by CSL in response and the impact this would have on the service. [REDACTED]

[REDACTED] The company Executive have considered reputational damage, demand and cost to business when scenario planning. The Board approved the enactment in principle of the contingency plans contained in the scenario planning work, subject to obtaining the any necessary approvals from SRH and **requested** that the Managing Director submit a paper to SRH Board to seek its approval on enacting these contingency plans and guidance on sharing them with Transport Scotland.

The Board noted that the deep dive risk report set out the controls and mitigations that have been put in place to ensure that the coaches remaining in service would not pose a safety risk. On the basis on the empirical evidence available to date the Board believed that the risks were being managed to be as low as reasonably practical. The Board **requested** that the Operations Director and CG meet to undertake further review of the effectiveness of the engineering mitigations and controls and that the outputs of this discussion are feedback to Board. Board **noted** the unpredictability of future failures and cracking, and, having obtained confirmation from the Operations Director, that there was no apparent correlation between cracking and coaches travelling on the Fort William line. Next steps will depend on what type of coach presents the next issue, in line with the scenario planning work already considered.

[REDACTED] The Board will reconsider decisions and recommendations whenever further information becomes available.

ACTIONS

- [REDACTED]
- Paper to be submitted to SRH Board to seek approval for contingency planning proposals and seek guidance on approach to briefing Transport Scotland.

8. Audit & Risk update

The minutes of the last audit and risk meeting were circulated in advance of the meeting. The Board requested that the Executive collect CG's views *ex committee* and share via email in advance of the next meeting.



9. Pay talk update

The Managing Director presented an update on recent conversations with unions, noting that further discussion is required. No public pay policy has been provided yet, but CSL would like to be prepared as soon as that policy is published.



10. Grant Agreement Review update

CSL's General Counsel provided an update on the progress of the Grant Agreement review, noting that the project is approaching completion with a way forward having been agreed on the derogation letter at the SRH board meeting on 11 April 2024. Documents would shortly be circulated to all parties for signing. It was noted that David Lowrie and Kathryn Darbandi had been authorised to sign the documents on behalf of SRH and CSL respectively.

The Board **noted** the progress and looked forward to further updates.

11. L&D Organisational Design


The Managing Direction presented an update on the Executive's review of the existing team organisational design, capacity levels, 2024 training requirements, individual and team capabilities. The Board **noted** the paper.

12. Grant Agreement Pack to include Finance update

The Managing Director presented the Grant Agreement pack. The Board had a discussion on the following particular items within the report:

- Insights training.
- Improved water supply on coaches.
- New collaboration on a limited-edition gin with a local family-owned business.
- New website.
- Cross learning in the group for social media.

The Board asked the Executive to continue to consider how they can improve finger trapping incidents and how verbal abuse of staff might be reduced.

The Managing Director reported that the new staff member who will focus specifically on Environmental, Social and Governance (**ESG**) has settled in well. The Board recommended that he get in touch with ScotRail's equivalent person for cross learning and tripartite KPIs within the group. The Board agreed to invite  to present at the next SHEC meeting.

The Board **noted** the finances for the period.

13. Previous meeting minutes — 20 March 2024 and 3 April 2024



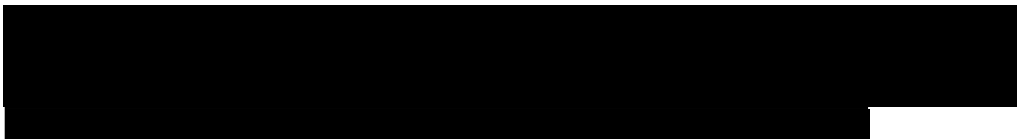
Minutes of 20 March 2024 were approved subject to the Chair's approval. If any material changes are made, the minute will be recirculated.

Minutes of 3 April 2024 to be circulated and approved *ex committee* by non-executives.

14. Actions arising from previous meeting

The action tracker was amended to reflect discussion.

15. AOB



16. Date of next meeting

Wednesday 15 May 2024, Pacific House, Glasgow