DFTO Board Minutes – Wednesday 25 February 2026

Minutes of a meeting of the Board of Directors of DFTO Ltd held on 25 February 2026 at Waterloo General Offices.

Meeting details

Present: Andrew Haines (ANH); Alex Hynes (AH); Chris Gibb (CG); Richard Harrison (RH); Steve Murphy (SM); Kathryn Cearns (KC); Harriet Kemp (HK); Ashley Ibbett (AI).

In attendance: Pauline Holroyd (Adviser) (PH); Jenny Henderson (JH); Suzanne Donnelly (for items 5.5 and 9.1) (SD); [Redacted] (for item 5.5); [Redacted] (for item 9.1); [Redacted] (for item 9.1); [Redacted] (for item 9.1); Chris Lawton (for items 5.2, 6.1, 7.1 and 8.1) (CL); [Redacted]; [Redacted].

Apologies: None recorded.

1. Notice, Quorum and Register of Interests

1.1 Notice and Quorum

1.2 Register of Interests

SM entry - Chair of Irish Rail to be removed from the register.

1.3 Appointment of Andrew Haines

CG proposed that Andrew Haines be appointed as DFTO Chair with immediate effect.

Resolved: The Board formally confirmed and ratified the appointment, expressing its full support and agreement.

1.4 Trainfleet 2019

The Board are requested to note that Richard George has now resigned with Richard Harrison to step in as Director.

2. Minutes of Previous Meeting

Minutes of the previous meeting were noted with minor amends.

3. Actions Arising from Previous Minutes

Action A113/2025 update: This has been repurposed for the upcoming DfT transfer with sign off unlikely not until the autumn.

Update: Updated draft is yet to be received. This remains as ongoing.

Action A149/2025: JH to provide update on Governance arrangements and report back to board.

Update: This remains as ongoing.

Action: A151/2025 update: KC to discuss with DfT next steps for the Framework Document and potential impact on NAO audit/regulatory statement.

Update: This remains as ongoing.

Action: A152/2025: RL to create a proposal letter considering security more broadly drafting in Trisha Hayes and Lucy D'Orsi.

Update: Draft letter has been produced, and ANH is meeting with Tricia Hayes.

Action A153/2025: AH to share the PwC report to The Board when the report findings are available (this is in relation to Northern compliance on licence conditions - Accessibility).

Update: This remains as ongoing.

Action A155/2025: [Redacted] to organise a benchmarking specific Remco meeting.

Update: This remains as ongoing.

Action A160/2025: RH to liaise with [Redacted] and provide the Board with an update on multi authentication.

Update: This is now closed. The Board would like to see the Cyber Security Strategy sitting at Board level. This will be included on the Forward Agenda with RH to confirm when this should return to board.

4. CEO Update

Northern Licence Compliance issue: PwC findings have highlighted areas for improvement including governance and document control. The team are working hard to rectify these issues with a response due back to Lord Hendy shortly. More broadly, the Board noted the need for a stronger second line defence and assurance across the range of TOC activities. JH reported that an assurance plan was in flight with the established Cross TOC Compliance Steering Group to be used as the governance mechanism to implement a self-assessment process covering governance, control design and operational effectiveness. This outcomes of the self-assessment will be fed back to DFTO Compliance and Internal Audit to review findings and produce a report on recommended next steps. The Board suggested inviting in [Redacted] of NR to provide insights into the way that the DfT GALP process works as a potential baseline for a model of assurance.

WM Trains transitioned in on Sunday 1st February with working assumption that Chiltern will transition over at the end of September.

- [Redacted], [Redacted] and [Redacted] will attend DFTO Executive Meetings from 1st March to derisk the transfer of DfT colleagues on 1st April.
- Integrated Railways. Communication sent out to wider industry seeking EOI for next integrated railway leaders (WM and GTL).

5. Current Operations

5.1 WMT Exit Bonus Scheme

The Board **noted** the update and proposed that any subsequent reviews are dealt with via RemCo.

5.2 Communications update

CCTV: DFTO has been working with RDG and c2c to build a robust response to the recent File on Four investigation. The Board noted that the oversight of CCTV across the TOC community varied widely and there were opportunities for improvement, integration and rationalisation. RL has been working more widely with TOCs to review where discrepancies coverage lies within their CCTV and would lead the development of a coherent strategy.

Communications Framework for Corporate Structure: There needs to be stronger alignment with communications between NR and DFTO to ensure we are pushing the same consistent messages. The Board requested [Redacted] returns to the June board with an update on the DFTO communication framework (factoring in how DFTO is working on integration, tracking responses against the business plan and building capacity). **Action:** [Redacted] **to return to the June board meeting with an update on the Communications framework.**

5.3 Delivery plans

The Board **noted** the update with a request that a cost breakdown covering cost savings and the cost basis on the TOCs is presented at the joint Strategy Day with NR in May.

RH will review if this can revert back to the March Board Meeting (noting this will revert to May if unfeasible for March). **Action: RH to provide NEDs with a cost breakdown of TOCs.**

5.4 Accessibility

Noting the update the Board recognised the challenge of providing a service where usage was growing much more quickly than passenger volumes and where the ability to screen out inappropriate usage was heavily constrained. The TOCs have been requested to complete an assessment of use (with wider feed into their business plans) to help provide more granular data. DfT are supporting on this via their Rail Analysis team with findings and awareness to be published more widely.

The Board requested this item is brought back to a future meeting to continue discussions (with April Board the likely date).

5.5 Trainfleet 2019

Eversholt insolvency (in relation to the 365 fleet) is in the hands of the liquidators - PwC. Beacon having now acquired Eversholt have reached out to DFTO on this matter. All queries on this matter are being fielded to PwC as the liquidators, but we are considering meeting with Beacon on a without prejudice basis. Should the Board need, RH can provide a session on the history of Trainfleet and the 365 fleet.

The Board **noted** the update.

6. Future Operations

6.1 Forward Plan for the creation of Integrated Railways

The Board **noted** the update.

6.2 Transition plans

Noting the update the Board requested:

- A core framework (including core choices, factoring in the business and implementation plan) is brought back to the March Board Meeting for further discussion and to provide the Board with a working list of choices that can be considered. **Action: RH to bring a core framework document to the next board meeting.**
- Clearer understanding of TOC reliance on owning groups for affiliate trading. **Action: RH to provide the board with clearer understanding on TOC reliance to owning groups on affiliate trading.**
- DFTO Business Transformation – To come back to the March Board Meeting as a deep dive item.

7. DFTO Group Delivery

7.1 DFTO Group Delivery – Transformation

The Board noted the update on progress with the DFTO Op model design project. In relation to FTR, the Board emphasised the urgent need for clear effective oversight of the FTR programme. Noting FTR as part of their strengthening are attending DFTO Executive Meetings on a monthly basis.

Noting for the purpose of the minutes that PH left the meeting.

7.2 Transition documents approval

The Board were requested to approve a mechanism (as listed in the paper) for future approval of the finalised DfT transfer documents and authorisation of signature on behalf of DFTO in time for signature at the end of March.

The Board noted:

- The Financial MOU will support the Ways of Working handbook by outlining in detail the financial arrangements, process, and timelines for DfT and DFTO.
    - The Board requested reassurance that HMT are comfortable with the funding arrangements. **Action: JH to confirm HMT are comfortable with the funding arrangements and report back to board.**

The board **agreed** moving forward with option 2 - a subcommittee approach noting members to be included are AH, RH and ANH, with JH in attendance.

7.3 DFTO Business Plan

The Board **noted** the update with a further revision to be brough to the March Board Meeting.

7.4 Communications Update

Previous covered in item 5.3 with no further updates.

7.5 Finance: DFTO Status delivery and rail reform

Noting the update and risks that may arise without the Rolling Stock Strategy Director Role in place, the Board requested this is brought to the next Remco meeting for discussion. **Post meeting note: This will be included on the March Remco Agenda.**

8. Rail reform

8.1 GBR Design Report

Noting for the minutes that PH returned to the meeting at this point.

Noting the update the Board requested for the March Meeting that CL provides a written report that encompasses his understanding of the design and includes where DFTO is at currently in relation to the Corporate Structure. Going forward the Board would like a report structure that provides an overarching view and breakdown into the different workstream segments.

Action: CL to provide a written report for the March meeting on Corporate Structure and produce an update report layout that gives the Board an overarching view and breakdown of workstreams.

9. Deep dive

9.1 Revenue protection deep dive

Key highlights include:

- Revenue protection and countering fraud is one of five pillars of the FTR Programme.

    - The Board want to see an Annual Legal Update Report alongside a regular Board update on how the FTR five pillars feed into Legal.
- Digital refunds: The Board requested a clearer breakdown is provided as the example highlighted created some confusion around the parameters on timings on ticket use for outbound travel (and the window for refunds). **Action: SD to provide an update example and explanation on the parameters for window refunds in relation to outbound travel.**

The Board are **supportive** of the work being done in this remit and request this is brought back to future Board for further discussion.

10. BAU updates

The papers including the safety report update in this section were noted.

11. AOB

NED Recruitment

Noting there is to be recruitment for a further two NEDs. This will be conducted via open competition with the possibility to transfer onto the GBR Board.

NR Joint Strategy Days

Joint Strategy Days in the calendar for May and October 2026. The Board are requested to notify ANH if they are unable to attend. These sessions will be a joint NR working session with a short DFTO Board to follow.

The Board thanked AI for his contribution and wished him well on his next endeavours.

12. Date of Next Meeting

24th March 2026