

BRIEFING FOR TELEPHONE CALL WITH [REDACTED]

Details

Thursday 1 June 1715 – 1745

[REDACTED] number = [REDACTED]

Agenda

Call arranged at [REDACTED] request. Two issues:

[REDACTED]
[REDACTED] [Out of scope]

2. A meeting [REDACTED] is due to have with TS Rail officials about CalMac as the potential public sector rail bidder for the ScotRail franchise.

[REDACTED]
[REDACTED] [Redacted - exemption applies.]

Key issues

- You recently met the DML Board and expressed your support in principle for their efforts to develop the business, building on the success of the Marchwood port concession;

[REDACTED]

- [REDACTED] and [REDACTED]
- Participation in the exercise being undertaken by Rail colleagues to identify possible public sector bidders for the ScotRail franchise.

[REDACTED]

Out of scope

- [REDACTED] will be meeting with Transport Scotland Rail and Ferries officials next week to discuss DML/CalMac's potential as a suitable public sector bidder for the ScotRail franchise. [REDACTED] [Redacted - Exemption applies]

- [REDACTED]

[Redacted]; Out of scope

-

[Redacted]; [Redaction – exemption applies]

BRIEFING : PUBLIC SECTOR BIDDER FOR FUTURE RAIL FRANCHISES

Lines to take

- You will be meeting with Transport Scotland officials next week. They will explain what they are doing to identify a suitable public sector bidder and seek information from you in confidence about DML [REDACTED] which will help them to consider a range of options.
- It is vital that the approach we take to evaluating all possible options is undertaken in a consistent and robust way. We are considering a range of candidates with a public transport focus, as well as the option to create a new public body or to seek a joint venture.
- I appreciate your co-operation in this matter. I will leave it to officials to explain the position more fully. I know that they had a previous meeting with you in March about the public sector bidder work – so next week's meeting is by way of follow-up.

Issues to avoid

Officials are also meeting with [REDACTED] Discussions are being held in confidence. No comment should be made about the identity of short listed candidates at the moment – rather, reference can be made to a range of candidates with a public transport focus, including a new public body and a joint venture.

Background

A manifesto commitment was made in 2016 to enable public sector operators to bid for future rail franchises. The work to enable a public sector body to bid for the ScotRail franchise began in late 2016 and is therefore still in its early stages. [REDACTED]

[REDACTED]

[REDACTED]

Officials are currently meeting with a range of public sector bodies who have a public transport focus, including David MacBrayne Limited (DML) on 5 June. The purpose of the meeting is (1) to provide information to DML on what would be expected of the public sector bidder and the process being undertaken to enable Minister to make a decision on his preferred candidate; and (2) to seek information from DML to assist officials in filling any information and data gaps.

Out of scope

[Redacted]

From: [Redacted]

Sent: 23 August 2017 14:35

[Redacted]

Subject: RE: Update?

Hello [Redacted]

The current position is that we are nearing the completion of the options appraisal work. We're a little behind schedule with this due to staff being away over the holiday season. As you'll appreciate, I'm not yet in a position to state the outcome. Indeed, I will need to share the findings with Ministers in due course and secure their approval.

Probably best if I come back to you in a couple of months when the situation should be a little clearer.

Regards.

[Redacted]

[Redacted] **Rail Futures Team Leader | Rail Directorate**

transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF



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Còmhdaill Alba, buidheann nàiseanta na còmhdaill

From: [Redacted]

Sent: 22 August 2017 15:06

To: [Redacted]

Subject: Update?

Hi [Redacted]

I hope you are well?

At our last meeting you mentioned that we would have an update mid July and I was wondering if there was any progress or update to share?

Kind regards

[Redacted]

Sent from my iPhone



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Out of scope

[Redacted]

From: Robbie Drummond <[Redacted]>
Sent: 26 February 2018 17:32
To: [Redacted]
Cc: [Redacted] <[Redacted]>
Subject: Re: DML Board meeting

[Redacted], could you please call me tomorrow on this. [Redacted]

Are you reporting directly to the Minister? [Redacted]

Robbie

Robbie Drummond
Managing Director, Calmac Ferries Ltd
Executive Director, David MacBrayne Ltd
[Redacted]

From: [Redacted]
To: <[Redacted]>
Cc: <[Redacted]>
Date: 26/02/2018 16:41
Subject: DML Board meeting

Hi Robbie
I'm looking for some feedback from the DML Board meeting on 13 Feb regarding the rail bid but [Redacted] has been out at various engagements last week and this week too. He has e-mailed to advise [Redacted], but has suggested that I speak with you if I need more information, given that he will be on the Western Isles til Friday.

Could you give me a call please to discuss, [Redacted]

Thanks.
[Redacted]

[Redacted] | Rail Futures Team Leader | Rail Directorate
transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF



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Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.



David MacBrayne

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<i>Engagement Title</i>	Meeting with the David MacBrayne Ltd (DML), Board
<i>Timing</i>	Normal
<i>Organisation/Venue and full address including postcode</i>	Room TG.22 Scottish Parliament
<i>Date and Time of Engagement</i>	Date(s): Wednesday 14 March 2018 Time(s): 11:15am – 12:15pm Meeting DML Board
<i>Background/Purpose</i>	To review the progress of the DML Board against the Ministerial priorities set for the company and to discuss matters of mutual interest.
<i>Relevance to Core Script</i>	To demonstrate the Scottish Government's commitment to supporting lifeline ferry services to fragile and remote island communities. DML are key delivery partners for providing the Clyde and Hebrides ferry services.
<i>Greeting Party and specific meeting point on arrival (if event is at a non SG Building)</i>	N/A
<i>Specific entrance for Ministerial Car/parking arrangements</i>	None
<i>Venue contact Number</i>	N/A
<i>Special Dress Requirements</i>	No special requirements
<i>Event Programme</i>	Annex A – Agenda and attendees, plus pen pictures
<i>Key Issues / points to make</i>	Annex B - Summary Page – key points [Out of scope]
<i>Supplementary Info:</i>	Annex C - [Redacted] [Out of scope.]
	Annex D – [Redacted] [Out of scope]

	<p>Annex E – [Redacted] [Out of scope]</p> <p>Annex F - Outline of Business Development Strategy and opportunities</p> <p>Annex G - [Redacted] Out of scope</p> <p>Annex H - [Redacted] Out of scope</p>
<p><i>Directions including map(s)</i></p>	<p>N/A</p>
<p><i>Media Handling</i></p>	<p>Non Media Event</p>
<p><i>Official Support for Meeting the DML Board.</i></p>	<p>Officials</p>
<p><i>No Official support for the Dinner.</i></p>	<p>Names:</p> <p>[Redacted]</p>

AGENDA ITEM 5 – BUSINESS DEVELOPMENT

Out of scope

[Redacted]

[Redacted]

You may want to ask: Out of scope

[Redacted]

[Redacted]

[Redacted]

ScotRail Franchise

DML have previously expressed an interest in bidding for the ScotRail franchise [Redacted]

[Redacted]

exempt]

[Redact –

Further discussions are taking place on 13 March an update will be provided ahead of the meeting.

Out of scope

[Redacted]

[Redacted]

[Redacted]

[Redacted]

From: [Redacted]
Sent: 16 March 2018 12:42
To: Robbie Drummond
Subject: RE: Public Sector bidder for Scotrail

Hello Robbie
Could you please call me regarding the letter that we discussed earlier this week with [Redacted]? Grateful to know what the current position is.
Thanks.

[Redacted]

[Redacted] | Rail Futures Team Leader | Rail Directorate
[Redacted]
transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF



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From: Robbie Drummond [Redacted]
Sent: 09 March 2018 11:44
To: [Redacted]
Subject: Public Sector bidder for Scotrail

Dear [Redacted],
[Redacted – exemption]
Our vision for DML is [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Regards
Robbie

Robbie Drummond
Managing Director, Calmac Ferries Ltd
Executive Director, David MacBrayne Ltd

[Redacted]



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[Redacted]

From: David McGibbon <[Redacted]>

Sent: 19 April 2018 08:21

To: [Redacted]

Subject: Re: ScotRail franchise - discussion with Mr Yousaf

Thanks [Redacted]

I agree that the intention is that I speak to the Minister next week when we meet and then I can brief the Board when we meet on Wednesday

If my lunch is postponed I will endeavour to call him

Kind regards

David C McGibbon

Sent from my iPad

On 18 Apr 2018, at 12:59, <[Redacted]>

Good morning David

During the discussion of a potential rail bid last week, the Board was keen to get a view from the Scottish Ministers as DML shareholder and it was noted that your scheduled lunch with Mr Yousaf next week provided an opportunity for such a discussion. I've spoken again to TS Rail colleagues who are content that a letter from DML received after that discussion would be fine in terms of timescales. There is the chance that your lunch is rescheduled; in that event I suggest you ask the Minister's office for a short telephone call to discuss the rail issue.

Best regards

[Redacted]

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To: [REDACTED]

Subject: Re: DML/Calmac - interest in exploring rail franchising

I am away on holiday right now [REDACTED], but we have the DML Board meeting on Wednesday the day I return. You may have noticed in the press that we are rather pressed at the moment, but I will raise on the agenda and I will give you my commitment that we will get back to you at the end of next week.

Regards
Robbie

Robbie Drummond
Managing Director, Calmac Ferries Ltd
Executive Director, David MacBrayne Ltd
[REDACTED]

On 6 Apr 2018, at 16:25, [REDACTED] wrote:

Dear Robbie

Trust that you are in good cheer.

You'll recall that we spoke last week about the proposition to furnish the minister with a note confirming DML/Calmac's interest in exploring further the potential of making a bid for a future Scottish rail franchise. [REDACTED]

[REDACTED] You mentioned that the matter would be raised at the next Board meeting, which, if memory serves me, was held yesterday.

Whilst I fully appreciate that there are probably a host of other pressing concerns, [REDACTED]

[REDACTED] I'd be grateful if you could provide an update perhaps by dropping me a line, copying [REDACTED] (as I'll be on leave shortly).

[REDACTED]

[REDACTED]

Head of Rail Policy
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Street
Glasgow
G4 0HF

[REDACTED]

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Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

<image001.gif>

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

From: [Redacted]
Sent: 14 May 2018 11:02
To: Robbie Drummond
Cc: [Redacted]
Subject: RE: DML/Calmac - interest in exploring rail franchising

Thanks Robbie, I look forward to seeing it.
Elaine

[Redacted] | Rail Futures Team Leader | Rail Directorate
[Redacted]
transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF



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From: Robbie Drummond [Redacted]
Sent: 11 May 2018 19:41
To: [Redacted]
Cc: [Redacted]
Subject: Re: DML/Calmac - interest in exploring rail franchising

Hi [Redacted], a draft has been sent round the Board, I will send it across to you early next week for your review before we finalise. Regards. Robbie

Robbie Drummond
Managing Director, CalMac Ferries Ltd
Executive Director, David MacBrayne Ltd
[Redacted]

On 30 Apr 2018, at 16:57, [REDACTED] wrote:

Hi Robbie

Thanks for getting in touch. [REDACTED] is on a period of extended leave at present. [REDACTED]

Regards.
[REDACTED]

[REDACTED] | Rail Futures Team Leader | Rail Directorate

transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF

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From: Robbie Drummond [REDACTED]

Sent: 30 April 2018 16:46

To: [REDACTED]

Cc: [REDACTED]

Subject: Re: DML/Calmac - interest in exploring rail franchising

Hi [REDACTED], if I get a draft letter across to you in the next couple of day, could you let me know if it meets your needs. Robbie

Robbie Drummond
Managing Director, CalMac Ferries Ltd
Executive Director, David MacBrayne Ltd
[REDACTED]

On 6 Apr 2018, at 19:26, [REDACTED] wrote:

Thanks Robbie. Much appreciate. Enjoy your break and sorry for the interruption.

[REDACTED]

Head of Rail Policy
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Street
Glasgow
G4 0HF

Tel: [REDACTED]
[REDACTED]

From: Robbie Drummond [REDACTED]

Sent: 06 April 2018 18:09

Out of scope

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: 17 May 2018 15:49
To: Robbie Drummond
Subject: RE: DML/Calmac - interest in exploring rail franchising

Thanks Robbie. I will consider your draft letter and hopefully get back to you next week.

I do appreciate that the Board has had significant operational pressures to deal with in the last few weeks and thank you for taking the time to provide the letter.

Regards.

[REDACTED]

[REDACTED] | Rail Futures Team Leader | Rail Directorate
[REDACTED]
transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF



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From: Robbie Drummond [REDACTED]
Sent: 16 May 2018 05:11
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: DML/Calmac - interest in exploring rail franchising

Hi [REDACTED],

I attach a draft of a letter we would propose to send to Bill Reeve from our Chairman. We have agreed the approach in principle with the Minister as shareholder,

[Redacted] The Minister is supportive of our strategy to grow the business, we have a Business Development Director in place, and are investing in our bid capability.

[Redacted]

[Redacted] [Redactions - Exempt]

Best regards
Robbie

[Redactions - Exempt]
Dear Bill

Our vision for DML [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Yours sincerely
David McGibbon
Chairman, DML

Robbie Drummond
Managing Director, CalMac Ferries Ltd
Executive Director, David MacBrayne Ltd
[Redacted]

[Redaction – Duplicate below]

[Redacted]

[Redacted]

[Redacted]

|

[Redacted]

[Redacted]

[Redacted]

|

[Redacted]



Transport Scotland, the national transport agency

Còmhdaill Alba, buidheann nàiseanta na còmhdaill

Out of scope

[Redacted]

[Redacted]

[Redacted]

[Redacted]

From: [Redacted]
Sent: 08 June 2018 14:25
To: Robbie Drummond
Subject: RE: DML/Calmac - interest in exploring rail franchising

Hello Robbie

[Exempt - redactions]

Apologies for the delay in replying to you on your draft letter [Redacted]
[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Best regards.

[Redacted]

Dear Bill

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Yours sincerely
David McGibbon
Chairman, DML

[Redacted] | Rail Futures Team Leader | Rail Directorate

transport.gov.scot

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Mr Bill Reeve
Director for Rail
Buchanan House
58 Port Dundas Road
GLASGOW
G4 0HF

21 June 2018

Dear Bill,

Our vision for David MacBrayne Limited is to create long term social and economic value for our communities and the Scottish Government as a visionary public enterprise focussed on customers and communities.

Our ambitious growth strategy is focussed on winning transport and logistics contracts which build on our current business and expertise. We have an excellent track record of high performance, expertise in bidding for and winning large transport franchises.

Given this ambition, we would welcome an exploratory discussion on the opportunity to bid for the ScotRail franchise when the current contract terminates. Given the sharp focus on the Scottish railway network in recent years, we understand the interest in an alternative operator.

There are number of areas we would want to explore in order to develop our interest.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. It is in the interests of all parties that we would show clear separation between our shareholder and procurement. We would want to discuss mechanisms to achieve this.

We believe we have a very strong and capable team. However, the issues outlined above merit further discussion and I look forward to engaging with you more in due course.

Yours sincerely,



David McGibbon
Chairman



<i>Engagement Title</i>	Meeting with David McGibbon
<i>Timing</i>	Normal
<i>Organisation/Venue and full address including postcode</i>	St Andrew's House, Edinburgh
<i>Date and Time of Engagement</i>	Date(s): Wednesday 1 August 2018 Time(s): 14:00 – 15:00 Meeting
<i>Background/Purpose</i>	Introductory meeting with Islands stakeholder to discuss matters of mutual interest.
<i>Relevance to Core Script</i>	To demonstrate the Scottish Government's commitment to supporting lifeline ferry services to fragile and remote island communities. DML are key delivery partners for providing the Clyde and Hebrides ferry services.
<i>Greeting Party and specific meeting point on arrival (if event is at a non SG Building)</i>	N/A
<i>Specific entrance for Ministerial Car/parking arrangements</i>	None
<i>Venue contact Number</i>	N/A
<i>Special Dress Requirements</i>	No special requirements
<i>Event Programme</i>	Annex A - Agenda and attendees, plus pen pictures
<i>Key Issues / points to make</i>	Annex B - Summary Page – key points
<i>Supplementary Info:</i>	Annex C - [REDACTED] Annex D - [REDACTED] [REDACTED] Annex E - [REDACTED] [REDACTED] Annex F [REDACTED] Annex G – ScotRail Franchise

<p><i>Directions including map(s)</i></p> <p><i>Media Handling</i></p> <p><i>Official Support for Meeting the DML Board.</i></p> <p><i>No Official support for the Dinner.</i></p>	<p>Annex H - [REDACTED] Annex I - [REDACTED] Annex J - [REDACTED]</p> <p>N/A</p> <p>Non Media Event</p> <p>Officials</p> <p>Names:</p> <p>Fran Pacitti [REDACTED] [REDACTED]</p>
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SCOTRAIL FRANCHISE

ScotRail Franchise

DML have previously expressed an interest in bidding for the ScotRail franchise [REDACTED]

David McGibbon at the Rural Economy and Connectivity Committee on 30 May 2018 indicated that CalMac wanted to expand the group's ports, harbours and ferry services nationally and internationally. In particular, they would be interested in exploring the possibilities of operating a rail service.

Rail Policy - Lines to take:

We welcome DML's interest in exploring the potential for a bid for the ScotRail franchise in future. I understand that you have written to Transport Scotland officials to express an interest and to outline issues that require further consideration. Officials are keen to engage with you in further discussions in the coming months on the opportunities and key issues associated with such a bid.

Background:

In its 2014 submission to the Smith Commission, the Scottish Government set out a case for 'full responsibility for rail transport', which would 'enable public sector bids and not-for-profit models, more integrated railways services and services designed to meet local needs.' The Scotland Act 2016 set out new powers for the Scottish Government in respect of rail franchising: section 57 amends the Railways Act 1993 to enable the Scottish Ministers to let Scottish rail franchises to British public sector bodies.

The Scottish Government has made a commitment, both in the manifesto and the 2017/18 Programme for Government (PfG), to ensure that a public sector operator is able to bid for a future rail contract and that there is a public sector body able to do so.

Transport Scotland officials are giving consideration to the suitability of a range of existing public bodies to bid for a rail franchise and the steps required to create a new public sector body, if it is necessary to do so. One possible prospective bidder is David MacBrayne Limited (DML). Transport Scotland officials have spoken with DML on a number of occasions in recent months about the possibility of a DML bid for a future rail franchise. It will be for DML to decide whether or not it prepares such a bid. In June 2018, David McGibbon wrote to Transport Scotland to express an interest in exploring the potential for a bid for the ScotRail franchise, when the current contract ends. DML

had previously indicated its interest at a meeting of the Rural Economy and Connectivity Committee in May 2018.



Rail Policy
26 July 2018

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Rail Directorate

Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF
Direct Line



Mr Dominic Booth
Managing Director Abellio UK
By e-mail

23 August 2018

Dear Dominic,

I am writing to update the you on progress towards delivering the manifesto commitment to enable public sector operators to bid for future rail franchises and to ensure that there is a public sector body able to do so.

The consistent view of the Scottish Government over many years has been that there ought to be a level playing field between the private and public sector in bidding for rail franchises. Widening the competition by permitting bids from the public sector should enhance our ability to secure passenger rail services in Scotland that deliver maximum economic and social benefit.

In late 2016, Transport Scotland undertook a review of a broad range of existing public bodies to assess their potential to bid.

You will wish to be aware that the Cabinet Secretary for Transport, Infrastructure and Connectivity will update the Scottish Parliament today on its progress on work to enable a public sector bid for rail franchises in Scotland.

This will be fully in line with the Scottish Government's commitments to enable a robust and competitive public sector bid for the rail franchise in Scotland and to strengthen competition in order to secure best value for the public purse, while delivering continuous service improvements.

David MacBrayne Limited has confirmed its interest in exploring the possibility of a bid for a future Scottish rail franchise contract. The interest shown by DML in a potential bid does not preclude other public bodies from bidding. Any other public sector body that wishes to consider submitting a bid is able to do so - that is a decision for them.

Scottish rail franchise competitions will continue to be fair and transparent giving equal treatment to all bidders whether from the public or private sectors.

As we have discussed, the Scottish Government fully expects the current ScotRail franchise to continue to its planned expiry date of 2025. I would like to re-assure you that this announcement in no way distracts from our absolute commitment to work with you and your colleagues at the ScotRail Alliance to ensure that the ScotRail franchise is a continuing success and delivers for the people of Scotland.

I would be pleased to discuss this further with you or your colleagues if that would be helpful.

Yours sincerely,



Bill Reeve
Director of Rail
Transport Scotland

From: [redacted]) On Behalf Of Reeve W (Bill)
Sent: 24 August 2018 11:07
To: [redacted]
Subject: Rail public sector bidder - TS/DML discussion

Dear David

Thank you for your letter of 21 June 2018 seeking an initial discussion with me on the opportunity to bid for a future rail franchise. I look forward to meeting with you on 3 October 2018.

Your letter raises a number of issues which you would like to explore further,

[redacted]

I completely understand that the DML Board will naturally have a number of issues to consider before committing to making a bid. Most of your points will take some time to work through and will require the involvement of other divisions within Transport Scotland. Therefore, we should expect to hold further meetings in the future [redacted]

I shall of course endeavour to be as helpful as possible, subject to the key procurement principles of transparency and fairness. I am sure you will understand the need to maintain a level playing field between all bidders or potential bidders, with regard to the provision of information. [redacted]

Yours sincerely,

Bill Reeve

Director of Rail
Transport Scotland

[redacted]
Business Manager
Rail Directorate
[redacted]

transport.gov.scot

Transport Scotland, Buchanan House, 58 Port Dundas Road, Glasgow, G4 0HF

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