

**Meeting between Transport Scotland and Mutares
6th December 2019
Buchanan House, Glasgow**

Present

██████████ – MUTARES Group
██████████ – MUTARES Group
██████████ – Gemini Rail

██████████ – Rail Director, Transport Scotland
██████████ – Rail Franchise Mgr, Transport Scotland
██████████ – Rolling Stock sponsor – Transport Scotland

As a result of the announcement that MUTARES Group taking over the KBRS Rail Services operations in the UK, TS arranged to meet with the owning group and the MD of Gemini Rail.

██████████ opened the meeting by presenting an overview of the role of TS; roads, ferries, air and rail.

██████████ then gave an overview of the takeover of the KBRS Rail Services business. He spoke on MUTARES Group being an organisation that focuses on operations and improving operations in organisations that the parent company no longer requires, in this case KBRS selling their Rail Services business. MUTARES Group has created a new business called Gemini Rail.

MUTARES Group strategy is to change operations during the first 18 months and stabilise the business and in the next 18 months look to grow the business.

For Springburn, KBRS had grown the business turnover from £4m in 2014 to £20m in 2018. However the site is now losing money every month. The facility requires investment to the general fabric and in machinery.

Gemini Rail predict that in the next 5 years that there will be a 80% reduction in vehicle overhauls due to new vehicle introductions which is currently the core business at Springburn.

Gemini Rail lease on the Springburn site expires in 2020.

A question was raised on diversifying into vehicle component overhaul if vehicle work reducing. ██████████ spoke about OEM had basically cornered the market in this area as part of their IPR.

Gemini Rail asked about the provision of overhead wires onto the site, something that TS took away to include potentially in CP6 pipeline work which was currently being put together.

██████████ closed the meeting by thanking MUTARES coming to speak about their takeover of the KBRS Rail Services.

[REDACTED]

From: [REDACTED]
Sent: 21 December 2018 12:02
To: Reeve W (Bill); [REDACTED]
Cc: [REDACTED]
Subject: INTERNAL - Notes of the meeting between Cab Sec TIC, Gemini Rail Services and stakeholders on the proposed closure of the Springburn workshops

Meeting with Cabinet Secretary for Transport, Infrastructure and Connectivity at the Parliament 20th December 2018
To discuss the proposed closure of Gemini Rail Services Springburn workshops

Attendees;

Mr Matheson, Cab Sec (MM)
[REDACTED], MD Gemini Rail Services [REDACTED]
[REDACTED], General Manager, Springburn, Gemini Rail Services
[REDACTED], Leader Glasgow City Council [REDACTED]
[REDACTED], Glasgow City Council
Bob Doris, MSP for Maryhill and Springburn [REDACTED]
[REDACTED] - UNITE union
[REDACTED] - UNITE union
[REDACTED] - senior sponsor - Network Rail
[REDACTED] - Engineering Director - ASR
[REDACTED] - Sc Enterprise [REDACTED]
[REDACTED] - Sc Enterprise
[REDACTED] - SDI

The main message from the Mr Matheson is that Gemini Rail Services must give the SG and their industry partners time to examine the possibility of keeping the Springburn workshops open potentially repurposing the site to give a longer term future for the workshops.

[REDACTED] opened by explaining the downturn in the workload at Springburn and the general economics of operating the site with the conclusion that they had taken the decision to begin the closure consultation process due to the monthly losses currently being experienced.

MM asked about repurposing of the site [REDACTED] stated that he was open to this idea, but, there is a time pressure due to the losses that Gemini Rail Services are experiencing and that the current workload finishes in May 2019.

MM challenged [REDACTED] by asking about work that was available that Springburn was capable of carrying out, but he understood, Gemini Rail Services were not bidding for this work currently.

[REDACTED] responded by stating that they were aware of the work that was currently on offer, however, it is small volumes and even if they did win the work, losses at Springburn will still occur.

There was a bit of chat about what are the current and future opportunities with new vehicle commissioning, improved electrified access, ScotRail fleet heavy maintenance being mentioned by UNITE and [REDACTED]

BD asked that Gemini Rail Services should not be turning down the opportunity for current work that may be available, Gemini Rail Services should give 3 months breathing space before they

carry out the statutory 45 days consultation, at least waiting until the current contracted workload is finishing, he has spoken to the new landlords (Hansteen) and they are willing to work with everybody going forward.

█ didn't give assurance that they would stop the process currently, but were willing to work with everybody.

UNITE raised again the workload that they think Springburn could survive on. Mostly aimed at ScotRail fleets and the Caledonian Sleeper.

MM said this is not about sustaining a loss making business, we need the time to consider and explore the future of the site with SG and industry partners.

█ reinforced the point about the need for time to review the announcement which was sudden. GDC have worked successfully in the past with Scottish Enterprise in situations like this to provide continuing employment for staff affected and importantly for the Springburn workers, they are a skilled workforce. The suggested trigger point in January will stifle the opportunities available in assisting the workforce and the site, it is too tight.

█ spoke about Sc Ent being available to help with support from Transport Scotland and that both bodies were already looking at the Scottish Rail industry supply base. Sc Ent have now appointed an account manager for Gemini Rail Services, Springburn, █ who was in attendance. [█ note - █ is currently the account manager for WABTEC Kilmarnock and Brodies Engineering Kilmarnock]

█ asked about the potential for electrification to access the site. He questioned that could any review of this consider if this access improvement would actually see more work in the guise of electric traction being available for the Springburn site. [█ note – the issue here is that for electric vehicles to go to Springburn, they have to be hauled by a locomotive and each transit move costs c£5k each way, which obviously adds to the cost of repair each time]. The meeting was reminded that the use of public money would need to show a return on investment.

MM – next steps. Short term opportunities to be considered, we need the space and time to review the situation and he wants to hear about progress by the end of January 2019. He wants Sc Ent and TS to co-ordinate round table meetings with industry partners during January.

Post meeting note:

I spoke to █ about putting the OHLE from Sighthill East junction to the entrance for the Springburn site and NR were already getting out previous documentation relating to this as it has been requested by several previous owners over the last 18 years and he will come back to me on this. To be shared with █ and █

I also had a chat with Sc Ent colleagues post meeting and I am meeting them on the 4th Jan 2019 to work up objectives, agenda, dates and attendees for the round table meetings.

█ Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

09th January 2019, meeting with Gemini Rail MD, Bill Reeve, TS Director Rail and [REDACTED]

Main points;

[REDACTED] speaking with WABTEC as the HST programme may present some short term work for Springburn – NF speaking to WABTEC MD 10th Jan. however, commercial and contractual sensitives may not allow any transfer of work to take place.

The industry suffering a down turn in work and this will likely affect others in the rolling stock overhaul market eventually.

[REDACTED]

From: [REDACTED]
Sent: 11 January 2019 11:31
To: Cabinet Secretary for Transport, Infrastructure and Connectivity
Cc: [REDACTED] Reeve W (Bill)
Subject: Conference Call with Gemini Rail - Key points discussed - Thursday 10 January 2019

Cabinet Secretary,

Please find below a read out from the call with Gemini Rail on Thursday 10th January.

Attendees;
Cabinet Secretary (MM),
Transport Scotland: [REDACTED]
Gemini Rail Services UK Ltd: [REDACTED] Managing Director ([REDACTED])

MM thanked [REDACTED] for taking the call at short notice as he wanted to touch base with [REDACTED] on 2 issues of the moment

- Possible delay to commencing the consultation for closure period
- An understanding of the current position

MM asked about the first point by recalling from the 20th December 2018 meeting that he asked [REDACTED] not trigger 45 day notice period to give the stakeholders time, which [REDACTED] agreed to reflect upon.

[REDACTED] responded that in terms of the timeline. He is not in a position to delay the issuing of a notice of closure to the unions and the workforce which will be issued during week 3 of January.

MM queried why?

[REDACTED] said that the timeline is driven by looking at where the current workload finishes and the need to give the landlord notice by 31 March 2019 as to their intentions with the lease for the site. In effect if they give notice that they do not intend to renew the lease, they have 12 months until 31 March 2020 to vacate the site.

On the second point, [REDACTED] stated that they have been engaging with a lot of different people in relation to different potential solutions. All of the options they are considering, however most of them are known and had been factored into their decision to close the workshops prior to any announcement last year. [REDACTED] has also followed up on the ideas that TS and Sc Ent have put forward, however, there is no magic bullet. [REDACTED]

[REDACTED], no outcome given by [REDACTED]. Following the meeting with Bill Reeve, Rail Director TS and [REDACTED] on 9 January at Buchanan House [REDACTED] is meeting with WABTEC to see if any of the delayed HST refurbishment work could be sent to Springburn. He stated however that there will be commercial and contractual issues around this that may not be solvable. [REDACTED] reiterated that the longer the facility remains open, the financial losses will continue.

MM asked as to when do Gemini expect to make the Unions and the workforce aware of the consultation process commencing?

[REDACTED] anticipates writing to them following the call as the non-union staff nominate representative process was concluded yesterday.

MM asked if there was anything that he could say or do that would make Gemini change their mind on commencing the closure consultation process?

██████████ responded – no.

MM has asked his office to arrange the next meeting of the key stakeholders on 23 January, which ██████████ agrees he will attend, explain where they are, and will update on progress.

MM asked if there was anything ██████████ has identified that his officials could progress to assist, as he remains keen to offer what assistance we can and is willing to assist in discussions with WABTEC etc.

██████████ spoke about the possibility for Springburn to become a facility that could be shared by overhaulers. He has suggested that this happens elsewhere in the UK. He also flagged up that what is happening to Springburn as a result of market dynamics, will happen to others in the industry at some point. ██████████ highlighted that the trend is for overhaulers to be mobile and go to the operators depots to carry out work, in some cases renting space from the depot facility operator.

MM actioned ██████████ to come back to officials on this.

██████████ also took away an action that he will respond back on the workload that UNITE claim would save the site/keep it going.

At this point the call finished.

██████████ IEng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

██████████
██████████

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From: [Redacted]@gemini.rg.co.uk
Sent: 22 January 2019 15:38
To: [Redacted]
Cc: [Redacted]
Subject: FW: Gemin Rail - telecon with Cabinet Secretary - 10th January 2019 - actions

Good afternoon [Redacted]
 I attach the answers to the questions you raised:-

1. "how a shared workshop site works elsewhere"

To answer this question, I have explained some examples of how our sister company - Gemini Rail Technology (GRT - formerly Kiepe Electric UK) have carried out remote work at customer or 3rd party facilities under a number of different engagement models dependent on which is most suitable on a case by case basis.

- a. **CI 321 Retraction** - this was delivered out of Wolverton (at the time Kiepe Electric UK had no relationship with Wolverton, and hence Wolverton was a 3rd party facility) where GRT hired space to carry out this work. The cost of the facility was included within the project cost calculation and therefore ultimately paid for by the end customer ERG.
- b. **MK III Refurbishment** - this was delivered out of Crown Point (Greater Anglia customer depot) where the space was provided F.O.C by the customer. GRT did some investment in the facility to enable the works which was then costed into the project and charged back to the customer.
- c. **CI 375/376 CCTV** - this work was delivered out of South Eastern depots where the facility was provided F.O.C.
- d. **CI 442 Retraction/Refresh** - this project is being delivered out of Eastleigh works (3rd party facility). Arlington Fleet Services are leasing the site from Savills who manage the facility on behalf of Diageo who own the site. Arlington carry out work of their own and sub-lease the facilities as per fluctuating demands/requirements from companies such as ourselves. Again, GRT cost the facility rentals into the project.

2. "to respond to UNITE's list of contracts that Gemini is not bidding for"

Regarding the potential pipeline, we will be going through the detail of each of the projects in our consultation meetings on Thursday, but I summarise below:-

Section 33(1)(b) – commercial interests

[Redacted text block containing multiple lines of blacked-out information]

e.

Please note that we are aware of these projects, and factored them, as well as other market intelligence, into our scenario planning before we made the announcement in December.

Please let me know if you need any more information.

Best Regards,

[REDACTED]
Managing Director

Gemini Rail Services UK Ltd.

t: [REDACTED]
m: [REDACTED]
e: [REDACTED]@geminirg.co.uk



Part of the Gemini Rail Group
Stratford Road, Wolverton, Milton Keynes, MK12 5NT

Registered in England & Wales - 08656105

GeminiRG.co.uk

From: [REDACTED]
Sent: 21 January 2019 20:49
To: [REDACTED]@transport.gov.scot
Subject: Re: Gemin Rail - telecon with Cabinet Secretary - 10th January 2019 - actions

Hi [REDACTED]

I will send you some feedback on the points below tomorrow.

Best Regards,

[REDACTED]
Managing Director
Gemini Rail Services UK Ltd.

t: [REDACTED]
m: [REDACTED]
e: [REDACTED]@geminirg.co.uk

Part of the Gemini Rail Group
Stratford Road, Wolverton, Milton Keynes, MK12 5NT
Registered in England & Wales - 08656105

GeminiRG.co.uk

From: [REDACTED]@transport.gov.scot
Sent: Friday, January 18, 2019 11:29
To: [REDACTED]
Subject: Gemin Rail - telecon with Cabinet Secretary - 10th January 2019 - actions

[REDACTED] from the 10th January call you took away the actions to inform officials of your idea around how a shared workshop site works elsewhere and to respond to UNITE's list of contracts that Gemini is not bidding for. Can you please do so in writing before the meeting on 23rd January 2019.

Thanks

[REDACTED] IEng MIMechE
Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF
[REDACTED]
[REDACTED]

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Tha am post-d seo (agus faidhle neo ceanglan còmhla ris) dhan neach neo luchd-ainmichte a-mhàin. Chan eil e ceadaichte a chleachdadh ann an dòigh sam bith, a' toirt a-steach còralchean, foillseachadh neo sgaoileadh, gun chead. Ma 's e is gun d'fhuair sibh seo gun fhiosd', bu choir cur às dhan phost-d agus lethbhreac sam bith air an t-siostam agaibh agus fios a leigeil chun neach a sgaoil am post-d gun dàil.

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.

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[REDACTED]

From: [REDACTED] on behalf of Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 22 January 2019 17:34
To: [REDACTED]
Cc: Chief Executive Transport Scotland; Transport Scotland Secretariat; Reeve W (Bill); [REDACTED] Press
Transport Scotland; [REDACTED] Cabinet Secretary for Transport, Infrastructure and Connectivity
Subject: RE: Gemini Rail - Lines to clear - Commonsense (2pm deadline)

[REDACTED]

Mr Matheson is content with lines.

Many Thanks

[REDACTED]

[REDACTED] Private Secretary to Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure and Connectivity
The Scottish Government | St Andrew's House, Edinburgh, EH1 3DG | Web: www.gov.scot
Tel: [REDACTED] Email: CabSecTIC@gov.scot

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From: [REDACTED] <[REDACTED]@gov.scot> On Behalf Of Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 22 January 2019 16:27
To: [REDACTED] <[REDACTED]@transport.gov.scot>; [REDACTED] <[REDACTED]@gov.scot>; Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [REDACTED] <[REDACTED]@transport.gov.scot>; [REDACTED] <[REDACTED]@transport.gov.scot>; [REDACTED] <[REDACTED]@transport.gov.scot>; [REDACTED] <[REDACTED]@transport.gov.scot>; [REDACTED] <[REDACTED]@transport.gov.scot>; [REDACTED] <[REDACTED]@transport.gov.scot>; Press Transport Scotland <media@transport.gov.scot>; [REDACTED]
Subject: RE: Gemini Rail - Lines to clear - Commonsense (2pm deadline)

[REDACTED]

Mr Matheson is currently in chamber for the City Deal and Regional Economy debate – won't be finished until 5pm.

I have already printed this for him to clear.

I will get back to you as soon as I can

Thanks

[redacted] Private Secretary to Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure and Connectivity
The Scottish Government | St Andrew's House, Edinburgh, EH1 3DG | Web: www.gov.scot
Tel: [redacted] | Email: CabSecTIC@gov.scot

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From: [redacted]@transport.gov.scot>
Sent: 22 January 2019 16:24
To: [redacted]@gov.scot>; Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; Press Transport Scotland <media@transport.gov.scot>; [redacted]@gov.scot>
Subject: RE: Gemini Rail - Lines to clear - Commonsense (2pm deadline)

Thanks

[redacted] could this be passed to Mr Matheson please?

From: [redacted]@gov.scot>
Sent: 22 January 2019 16:19
To: [redacted]@transport.gov.scot> [redacted]@gov.scot>; Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>; Press Transport Scotland <media@transport.gov.scot>
Subject: RE: Gemini Rail - Lines to clear - Commonsense (2pm deadline)

It's after their deadline I know, but looks ok.

From: [redacted]@transport.gov.scot>
Sent: 22 January 2019 13:54

To: [redacted]@gov.scot>; [redacted]@gov.scot>;
Cabinet Secretary for Transport, Infrastructure and Connectivity [redacted]
Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat
<TSS@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [redacted]
[redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>;
[redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>;
[redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>;
[redacted]@transport.gov.scot>; Press Transport Scotland <media@transport.gov.scot>
Subject: RE: Gemini Rail - Lines to clear - Commonspace (2pm deadline)

Adding Cab Sec's office to give Mr Matheson sight of this now, given the very short deadline

From: [redacted]
Sent: 22 January 2019 13:20
To: [redacted]@gov.scot>; [redacted]@gov.scot>
Cc: Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat
<TSS@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [redacted]
[redacted]@transport.gov.scot>; A [redacted]@transport.gov.scot>;
[redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>;
[redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>;
[redacted]@transport.gov.scot>; Press Transport Scotland <media@transport.gov.scot>
Subject: Gemini Rail - Lines to clear - Commonspace (2pm deadline)
Importance: High

[redacted]

Commonspace are seeking comment on a campaign launched by Unite the Union which calls on SG to take over Gemini depot, citing Prestwick as a precedent for such a move.

They have asked specifically if work will be transferred elsewhere and if SG would take over the depot. Draft lines are copied below for clearance.

Deadline is 2pm

A Scottish Government spokeswoman said

"It is disappointing that Gemini Rail Services has now commenced the consultation to close the facility. The Cabinet Secretary is meeting with the owners tomorrow and will use this opportunity to reinforce the importance of this facility at Springburn. Meanwhile, we continue to work with rail industry partners, the unions, the workforce and Gemini to explore all options to prevent this closure and to support affected staff.

"The Scottish Government remains committed to supporting rail services in Scotland and has made record investment in the sector in recent years, including new rolling stock and improved infrastructure. There is sufficient capacity at other Scottish locations, including ScotRail's own depots, to continue to service our fleets."

Background

- As an agency we are not in control of potential workload procurement for private operations
- There are two other heavy rail overhaul plants in Scotland (Wabtec and Brodies, both in Kilmarnock), as well as Alstom's depot at Polmadie. All routine maintenance of ScotRail stock continues to be delivered in Scotland.

- Wabtec Rail has a modern well-equipped factory to meet the challenges of today's railway at Kilmarnock employing 173 staff. The core business is repairing, refreshing and overhauling rail vehicles, wheelsets and components which includes upgrading the class 170 and class 320/4 trains within the ASR leased fleet.
- Brodie Engineering operates from its base in Kilmarnock with 83 staff and provides a mobile service to the rail industry over the length and breadth of the UK and Ireland. Brodie Engineering offers a comprehensive range of refurbishment, maintenance, overhaul and repair services to the rail sector. It also has expertise ranging from passenger trains to specialist infrastructure vehicles.
- More fleet engineering staff have been recently recruited to maintain the HST fleet at Inverness and Haymarket depots. Other fleet engineering staff are also involved in train presentation and general fleet servicing within Scotland giving a total of 892 currently employed by ASR.
- In addition the new Class 385 electric trains will be maintained by Hitachi staff at the former East Coast Craigentiny, Edinburgh depot and Millerhill yard in Edinburgh. There are around 300 staff based there to maintain a range of fleets for ASR and a number of cross border operators
- Our ongoing investment in new and refurbished rolling stock for Scottish passengers has helped to create and protect over 1,200 jobs based in Scotland.

[REDACTED]

From: [REDACTED]
Sent: 22 January 2019 17:50
To: Cabinet Secretary for Transport, Infrastructure and Connectivity; Provan JH (John);
[REDACTED]
Cc: Reeve W (Bill); [REDACTED]
Subject: RE: Letter from Bob Doris MSP re Gemini
Attachments: Gemini Rail - Springburn update; RE: Gemini Rail - Lines to clear - Commonsense
(2pm deadline)

Find attached recent update sent to Cabinet Secretary's mailbox, [REDACTED]
[REDACTED] Also see latest lines used for
media query this afternoon.

Network Rail and Abellio ScotRail will be represented at the meeting tomorrow.

[REDACTED] Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

[REDACTED]
[REDACTED]

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From: [REDACTED]@gov.scot> On Behalf Of Cabinet Secretary for Transport, Infrastructure and
Connectivity
Sent: 22 January 2019 17:36
To: [REDACTED]@transport.gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>; [REDACTED]@gov.scot>; [REDACTED]
[REDACTED]@gov.scot>
Cc: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Subject: FW: Letter from Bob Doris MSP re Gemini
Importance: High

Hi folks,

Letter from Bob Doris regarding tomorrow's meeting.

If there is anything of concern that needs reflected in the briefing for tomorrow's meeting, please
let us know by return.

Thanks

[Redacted] | Private Secretary to Paul Wheelhouse MSP, Minister for Energy, Connectivity and the Islands
The Scottish Government | Web: www.gov.scot
[Redacted], Email: MinisterECI@gov.scot

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From: [Redacted]@parliament.scot>
Sent: 22 January 2019 13:19
To: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>; Matheson M (Michael), MSP <Michael.Matheson.msp@parliament.scot>
Cc: Doris B (Bob), MSP <Bob.Doris.msp@parliament.scot>
Subject: Letter from Bob Doris MSP re Gemini
Importance: High

Hello,

Please find attached a letter from Bob ahead of tomorrow's meeting regarding the Gemini plant at St Rollox.

All the best,

[Redacted]
Parliamentary Assistant to Bob Doris, MSP for Maryhill and Springburn
The Scottish Parliament
Edinburgh
EH99 1SP

Email: [Redacted]@parliament.scot

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[Redacted]

From: [Redacted]
Sent: 22 January 2019 16:37
To: Cabinet Secretary for Transport, Infrastructure and Connectivity
Cc: [Redacted] Reeve W (Bill)
Subject: Gemini Rail - Springburn update

Cabinet Secretary,

Electrification of the route into / out of the Springburn Railway workshops

At a meeting today with Network Rail (NR), they have had a look at the possibility of taking the overhead electric wires into the Springburn site. Basically, it will require 3Km of overhead wiring single track infrastructure from Sighthill East junction (near Barnhill station) onto the workshop site. There is one big risk that does need consideration and that is the clearance required between the overhead wires and the overbridge at Petershill road. Current unknowns are; ground conditions, vegetation clearance, any issues with the track from Sighthill jct to the NR boundary. Potential cost would be around £3m, but until a full survey is carried out covering any risk identified, the actual cost is unknown. Timescale for delivery from giving the go ahead for any work from survey through to installation is likely to be in the region of 12 – 18 months.

The list of contracts that Gemini could / should be bidding for as indicated by UNITE-- message as received from Gemini Rail

Section 33(1)(b) – commercial interests

- [Redacted]
- [Redacted]
- a. [Redacted]
- b. [Redacted]
- c. [Redacted]
- d. [Redacted]
- e. [Redacted]
- f. [Redacted]
- g. [Redacted]
- h. [Redacted]
- [Redacted]
- [Redacted]

How a shared workshop site works elsewhere – message as received from Gemini Rail

“ To answer this question, I have explained some examples of how our sister company - Gemini Rail Technology (GRT - formerly Klepe Electric UK) have carried out remote work at customer or 3rd party facilities under a number of different engagement models dependent on which is most suitable on a case by case basis.

- a. **CI 321 Retraction** - this was delivered out of Wolverton (at the time Kiepe Electric UK had no relationship with Wolverton, and hence Wolverton was a 3rd party facility) where GRT hired space to carry out this work. The cost of the facility was included within the project cost calculation and therefore ultimately paid for by the end customer ERG.
- b. **MK III Refurbishment** - this was delivered out of Norwich Crown Point (Greater Anglia customer depot) where the space was provided free of charge by the customer. GRT did some investment in the facility to enable the works which was then costed into the project and charged back to the customer.
- c. **CI 375/376 CCTV** - this work was delivered out of South Eastern depots where the facility was provided F.O.C.
- d. **CI 442 Retraction/Refresh** - this project is being delivered out of Eastleigh works (3rd party facility). Arlington Fleet Services are leasing the site from Savills who manage the facility on behalf of Diageo who own the site. Arlington carry out work of their own and sub-lease the facilities as per fluctuating demands/requirements from companies such as ourselves. Again, GRT cost the facility rentals into the project. “

Brodie Engineering moving in to Springburn

Scottish Enterprise have arranged a meeting with both parties at Springburn on Thursday of this week to get them together to discuss Brodie Engineering taking on some space in the workshops as indicated at the 16th January meeting with Brodie Engineering.

[REDACTED] IEng MIMechE
Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

[REDACTED]
Transport Scotland - the national transport agency / **Còmhdaill Alba - buidheann nàiseanta na còmhdaill**
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[REDACTED]

From: [REDACTED]
Sent: 24 January 2019 12:19
To: Cabinet Secretary for Transport, Infrastructure and Connectivity;
[REDACTED]@scotent.co.uk; [REDACTED]@scotent.co.uk; [REDACTED]
Cc: [REDACTED] Reeve W (Bill); [REDACTED]
Subject: SENSITIVE - TS meeting notes - 23rd January 2019 - Gemini Rail's proposal to close the railway workshops at Springburn

Please find my notes on the meeting held at SAH on 23rd January 2019 with regards to Gemini Rail's proposal to close the railway workshops at Springburn

Attendees;

Cabinet Secretary for Transport, Infrastructure and Connectivity
Bob Doris MSP for Glasgow Maryhill and Springburn
Transport Scotland – [REDACTED]
Scottish Enterprise – [REDACTED]
Fair Work, Employability and Skills Directorate – [REDACTED]
Gemini Rail – [REDACTED]
Abellio ScotRail – [REDACTED]
Network Rail – [REDACTED]
UNITE – [REDACTED]
Glasgow District Council (GDC) – 2 representatives [REDACTED]

Cab Sec opened the meeting by asking Gemini Rail MD to talk to the latest position.

[REDACTED] talked about continued conversations with stakeholders, with Bob Doris MSP requesting extension of time before any redundancies, meeting Bill Reeve on the 9th Jan, meeting WABTEC to discuss if any HST work could be done at Springburn. [REDACTED]

[REDACTED] He also mentioned that he has been in touch with the Hitachi Rail Europe CEO.

Section 33(1)(b) – commercial interests

[REDACTED] then spoke about there being consultation meetings with the staff representatives a Springburn on 24th January where he would share with the reps further discussion on financials and workloads.

[REDACTED] then ran through the list of work that UNITE has tabled that Springburn could potentially be bidding for, but reiterated that winning all this work would still mean that the business was not sustainable as the low volume rates don't help stave off the losses and that he would take the staff consultation meetings on 24th January through the detail.

[REDACTED] then spoke about the provision of overhead line electrification (OHLE) onto the site. The costs associated with diesel hauling electric trains is a contributory factor to pricing when bidding for work, but he didn't see it as being transformational for the site. Also the suggestion by UNITE that the workshops could be used as a light maintenance depot wouldn't work as the heavier nature of the traditional workload would mean that OHLE in the workshop area would restrict the lifting of vehicles onto accommodation bogies etc.

Cab Sec asked if the OHLE would make any difference to Gemini's proposal to close the workshops at all?

responded that the installation of the OHLE to the site does not transform Gemini's view of the site and had actually been viewed within their scenario planning.

stated that Gemini Rail wished to continue to support Scotland's railways, but not with the current overheads that the Springburn site require.

then went on to speak about his vision of using shared facilities and gave examples of how this had worked in the past. He was challenged during this by UNITE requesting to know how many jobs this would preserve. responded by stating less than 10.

Bob Doris asked, what if, the headcount was reduced, would this not reduce the level of overheads?

replied that as part of the Gemini Rail of their scenario planning, this has already been considered and that going forward the losses will remain.

Cab Sec observed that the 'man in the van' using shared facilities approach wouldn't fix Springburn. agreed.

spoke about the market conditions not getting any better across the UK due the volume of new rolling stock that has been and continues to be introduced meaning that there is less work for the traditional heavy overhaulers. Scottish Enterprise confirmed that this is something that they are seeing across the rail industry.

UNITE spoke about, if OHLE provided to the site that 2/3rd of the ScotRail fleet could receive heavy maintenance at Springburn, Springburn is a key location for the rail industry and that the utopian view of collaboration completion might quite not work well. He then went on to speak about KBRS involvement in all of this.

responded that Gemini Rail have no relationship with KBRS.

UNITE accused Gemini of quoting KBRS losses and that they were sceptical about Gemini and the amounts being quoted as losses. Further chat was around, directors pay, consultants costs (£1k a day), removal of all wheel and bogie work to Wolverton, submitting tokenism bids, removing all signage relating to Gemini Rail Services, portacabin rental leases being terminated and reference to the amounts KBRS directors earn. was asked again if they would extend the consultation period.

Cab Sec added to this last request by asking, is there anything that could be put on the table that would make Gemini Rail change their position?

said that the bottom line is that the site as currently operated is a loss making business. The work is not there to sustain the site. It would need to be propped up financially to keep the workshops open. It is losing money every day and that is not sustainable.

UNITE questioned that, was it true that would receive a bonus for closing Springburn.

responded that this is not the case.

UNITE questioned again the relationship with KBRS as the company registration remains the same.

explained that when KBRs sold the business to MUTARES the company registration in company house remained the same, the company name changed as they are not legally allowed to use KBRs as part of the shares purchase agreement and the losses he has been quoting refer to the registered company name which is the same number that KBRs previously used.

UNITE continued to question the KBRs relationship.

explained that the business is in transition and it is impossible from day one not to be using KBRs payroll systems etc until Gemini can set up their own systems and processes. He emphasised that staff had been briefed on this transition and that the Gemini systems and processes will be rolled out shortly.

Bob Doris queried about clarity around the losses and that he is disappointed that there doesn't seem to be a firm figure since on a number of occasions has said different numbers. How could losses be underwritten if the actuals were not clarified?

Cab Sec spoke on the issue of the loss figures. He reminded everyone that public money needs to support sustainable business and that Gemini Rail have made a business decision to close Springburn.

stated that this is correct.

(Scot Ent) spoke about the industry group looking at the potential markets and future markets and that it was also looking at skills requirements, structural change, mapping and understanding what exists in Scotland to allow investment to be directed correctly. We can't just address one individual company's requirements. So far all who attended the first session were positive and agree to work together.

UNITE spoke about how what is actually happening Springburn is, industrial vandalism, the staff's conditions of service were being challenged by Gemini Rail especially ex-BR staff TUPE through various owners and that Gemini Rail has set about amending the pension scheme. He finished by pointing out that the real issue the date of the 4th March where the staff would be made redundant.

Cab Sec – asked Sc Ent about any potential interest so far in taking on the site.

Section 33(1)(b) – commercial interests

Cab Sec asked about progress with Network Rail on looking at the potential for OHLE to run into Springburn?

(NR) spoke about how this could be possible, there is one structure that represents a risk to electrical clearances for overhead line, Petershill Road overbridge, however, NR would need to carry out site survey and design work for this and other elements of installing OHLE and that they had already had initial discussions with TS on this.

Cab Sec actioned TS to progress having NR carry out the survey and design work to allow costs, risks and construction timescales to be determined.

Cab Sec said that it is a good thing that there is potential interest in taking on some or all of the site to continue rail engineering and asked Sc Ent to continue with this.

Cab Sec spoke about the clock ticking and concerns around the workforce that require information since PACE have not already been involved.

UNITE spoke about not wanting the staff to be given the wrong impression about closure and that they will continue to fight against closure.

GDC said they were ready to help with advice and continuing employment for the workforce, but that the timescale of the 4th March is difficult for them to work to.

██████████ (SG - PACE) spoke about the earlier that they are engaged with staff the better and that Gemini Rail have asked for assistance.

UNITE said that PACE intervention is for employment elsewhere and had requested PACE to hold off meantime.

██████████ gave a commitment that PACE is standing by ready to support the workforce.

Cab Sec spoke of the staff needing the support now whether it is GDC / PACE or others to allow them to access help.

UNITE said that some of the staff were already leaving for other employment.

Cab Sec said no doubt other companies were exploiting this and that he wants support to be provided to the staff and questioned when will PACE commence, ok to hold off, but PACE support needs to be ready and ensure that UNITE's concern on giving out the wrong message is taken into consideration. UNITE agreed to work with PACE team on giving support to the workforce.

Cab Sec, again, requested Gemini Rail to extend the consultation period.

██████████ reiterated that there would be no change in the timescale.

Cab Sec asked for an understanding on what it would cost to go beyond the 4th March.

██████████ said that the losses would roll on and there is a need to sort out the site lease prior to 31st March 2019. This is the point at which Gemini need to inform the landlord – HANSTEEN, as to their intentions with respect to the lease being extended.

Bob Doris has already spoken to HANSTEEN as he is of the view that Gemini will not be extending the lease and they are willing to be sympathetic to any future lessee.

Cab Sec asked that Gemini Rail speak with HANSTEEN to allow talks to take place with potential lessees.

As the meeting drew to a close, UNITE wished to discuss with the Cab Sec a commercial proposition that they have put together.

Cab Sec requested that UNITE meet with officials to discuss this. ██████████ **Sc Ent organising this with UNITE**

ACTIONS arising

- **Site lease – Gemini to contact HANSTEEN around being flexible with the lease to allow potential lessees to be developed**
- **OHLE – TS and NR to progress survey and design**

- **Potential interest – Sc Ent to progress and to be made aware of any issues**
- **Informal PACE / GDC access to advice to set up between UNITE and PACE / GDC**

[REDACTED] Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

[REDACTED]
[REDACTED]
Transport Scotland - the national transport agency / Còmhhdail Alba - buidheann nàiseanta na còmhhdail

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[REDACTED]

From: [REDACTED]
Sent: 20 February 2019 16:41
To: Cabinet Secretary for Transport, Infrastructure and Connectivity
Cc: [REDACTED]@scotent.co.uk; [REDACTED]@scotent.co.uk; [REDACTED] Reeve W (Bill)
Subject: Springburn railway workshops - key stakeholders meeting briefing

Cabinet Secretary, find following briefing for tomorrow's Springburn stakeholders meeting;

A meeting with the Cabinet Secretary was held on 13th February with trades unions, officials and senior management from ScotRail and Network Rail. At this meeting the unions were disappointed to hear that their plea for the site to be nationalised and taken over by Network Rail and for ScotRail to operate it was not going to happen.

There has been a campaign of letter writing to SG resulting in a number of MACCS cases. There continues to be media interest, MSP interest, MP interest and press releases from both Unite and RMT unions in their efforts to keep the workshops open.

On the 19th February and the 20th February there was 2 members debates in the parliament on the subject of the closure of Springburn railway workshops.

On call with the unions on the 20th February, Unite spoke about Gemini being awarded a contract to overhaul 51 ScotRail class 170s, on checking with the vehicle owners, they have not made a decision of award to any organisation yet as they are still evaluating the bids for work which is due to commence in October this year. Note that the contract also includes 48 vehicles for the DfT Northern Rail franchise.

Scottish Enterprise and Transport Scotland met with Hansteen on Friday of last week. Hansteen Holdings PLC have been on site a Springburn recently along with surveyors and they recognise that the site requires investment and re-organising with some parts of it being in a dilapidated condition. This investment is likely to be significant. It may be more cost effective to flatten the footprint and build new a purposely designed facility which can be operated and maintained at a more efficient cost. Any interested parties may find this unattractive.

Scottish Enterprise are also engaged with the site owners on the hub concept and the idea of repurposing the site, as well as the cost of providing an electric line connection to the yard.

[REDACTED]

Section 33(1)(b) – commercial interests

It is recognised in the rail industry that the site is more suited to the heavier classified overhauls of rolling stock which is the preserve of the rolling stock owners.

The maintenance requirements of the Abellio ScotRail rolling stock fleet is currently covered by their four maintenance depots for their needs supported by a number of servicing and stabling locations throughout Scotland using a mixture of their own staff and vehicle manufacturer's staff.

UNITE have not yet allowed officials from Partnership Action for Continuing Employment (PACE) to be available to the staff at Springburn.

[REDACTED] ng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

[REDACTED]
[REDACTED]

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[REDACTED]

From: [REDACTED]
Sent: 22 February 2019 10:20
To: Reeve W (Bill); [REDACTED]
Cc: [REDACTED]@scotent.co.uk; [REDACTED]@scotent.co.uk
Subject: Springburn railway workshops - key stakeholders meeting 21st February 2019

Main points from the key stakeholders meeting.

21st February 2019
Parliament

Mr Matheson, [REDACTED] Sc Ent, [REDACTED] Sc Ent, [REDACTED] SG -
PACE, [REDACTED] NR, Bob Doris MSP, [REDACTED] GR, [REDACTED] GR, [REDACTED]
MP, [REDACTED] RMT, [REDACTED] Unite, [REDACTED] Unite

Agenda

1000-1010 Introductions
1010- 1025 Update from Gemini on Hansteen lease review
1025- 1045 Update from Gemini on option appraisal / timeline
1045-1100 Update from Gemini on pipeline of work potentially available for Springburn
1100_1115 Update from Scottish Enterprise - industry forum
1115-1125 Update from TS / NR - electrification
1125-1130 PACE activity

Mr Matheson expressed his disappointment that ASR had not attended.

Gemini Rail gave an overview on a number of subjects which are outlined below;

Gemini Rail have been in discussion with the landlord, have asked them to consider reducing the rent and to look at Gemini working within a reduced site. Mr Matheson asked, does this mean that Gemini are staying? The answer was that they are considering all options, however scaling down the size and operation of the site, still wont work. Gemini have also taken a look at the light maintenance market and for the site it is not sustainable.

Gemini stated that the timeline associated with the closure consultation remains the same.

Gemini stated that there is a downturn in the heavy vehicle overhaul market across the UK and that in conversation with vehicle owners and other suppliers that they all agree as does RIA and RDG the current future of the vehicle heavy overhaul business is not good.

Diversification – Gemini stated that their wheelset overhaul business has suffered from a drop in demand from the freight sector, they did revert to having one wheelshop and that is at Wolverton, Springburn's loss. the wheelset business has also suffered from the removal from service of most vehicles that now require tyred wheels.

Gemini spoke about wanting to continue to support the Scottish market, Unite raised the question around Porterbrook leasing' class 170 overhauls.
Unite stated that Gemini Rail has won the contract for Porterbrook's class 170 overhaul which is a mix of ScotRail and Northern leased units and that Gemini were placing all the overhauls into their Wolverton plant. Note that on the 20th I had told Unite twice that this is not correct and that the

contract was still not awarded and is in fact at the BAFO stage. at the debate on the 20th this was also stated by James Kelly in the debating chamber. Mr Matheson refuted this as I had informed him of the correct status of this.

There then followed a bit of a debate about bogie overhaul work. Gemini stated that the kit at Springburn would need investment, however, over time the vehicle owners and operators had introduced extended life cycles and the application of new designs and engineering of bogies has seen a drop in the requirement for bogie overhauls across the UK.

New components supply – Gemini do not have any products or designs, therefore it is not a business for them.

Section 30(b)(i) – free and frank provision of advice

Question was raised by Unite around supporting TALGO. Gemini replied that TALGO was not in Scotland and that this is dependent on HS2 and you are talking 2023 onwards potentially.

Light maintenance – Gemini have spoken to ASR on this with no commitment. The site would need investment if light maintenance was to become one of the services the site could supply. They pointed out that light maintenance would represent a small amount of revenue.

Overhead line installation – whilst it would reduce movement costs associated with electric vehicles, electric vehicle work would need to be won.

Competitors sharing the site – competitors not overly keen to share facilities. Unite expressed their disagreement with Brodie bringing in their own staff if they wanted to share the facilities.

[REDACTED]

[REDACTED]

Section 33(1)(b) – commercial interests

ASR – Gemini have spoken to ASR and they are not interested in the site.

[REDACTED]

Other vehicle owners – Gemini have been in conversation with all the ROSCOs on their future needs and will be bidding for work.

Scottish Enterprise are now going to carry out due diligence on Gemini's model for Springburn now that it has been made available, Sc Ent to report in due course.

Rail industry forum – Sc Ent gave an overview of industry engagement and that the industry is currently supplying info to them to allow an asset and resource register to be collated. Unite requested to be included in the forum. Sc Ent stated that the forum was for the supplier's, not a general meeting.

Overhead line – NR – JJ reported that they have a remit from TS and are progressing this currently to an initial cost and timescale which will be available at the end of April.

Whilst the meeting never got to PACE on the agenda, PACE have still not had access to the staff at Springburn.

[REDACTED]

From: [REDACTED]
Sent: 28 February 2019 10:32
To: Cabinet Secretary for Transport, Infrastructure and Connectivity; Chief Executive Transport Scotland; [REDACTED] Transport Scotland Secretariat; Transport Scotland Directors; Transport Scotland Media
Cc: [REDACTED] Communications Economy; DG Econom [REDACTED]
[REDACTED]@scotent.co.uk
Subject: Engagement briefing - Call with MUTARES - Gemini Rail Springburn - 28th February 2019

Cabinet Secretary,

Find briefing for tonight's call with MUTARES regarding their closure of the Gemini Rail, railway workshops in Springburn, Glasgow

Thursday 28th February 2019 – 1730 to 1830

Attendees; MUTARES and Gemini Rail management

[REDACTED] Mutares
[REDACTED] Gemini Rail

Supporting officials

Bill Reeve – Rail Director, Transport Scotland
[REDACTED] – Head of Rail Franchising, Transport Scotland
[REDACTED] – Rolling stock Programmes Sponsor, Transport Scotland
[REDACTED] – Scottish Enterprise / SDI

Key messages

I remain disappointed that you have undertaken the action to close the railway workshops at Springburn. The timescale that you have set for the statutory consultation process has made it difficult for the industry and Government to explore options for the site.

I am concerned that there will around 180 people now looking to their future, what are your plans for ensuring that staff's welfare has been considered and what will happen for example to apprentices when you close the workshops?

I understand from the meeting [REDACTED] attended last week that you are looking to downsize your presence on the site, does this mean that you are not in fact closing the workshops?

Can you give me an undertaking that in future that any Scottish Rail franchise work that you bid for will be carried out in Scotland?

Briefing

The 45 day closure consultation that Gemini Rail have undertaken will finish on Saturday 2nd March. This will mean that staff will begin to receive redundancy notices from Monday 4th March.

The workshops have a number of contracts to complete after this date which are for ScotRail leased vehicles, with the last contract due to be completed by the end of July 2019. Gemini Rail have told us that they plan on having a phased release of staff to ensure that all contracted work will be completed.

Gemini Rail have until the 31st March 2019 to indicate to the landlord, Hansteen Holdings PLC, as to their intentions around the lease of the site. If they do not notify the landlord by 31st March 2019 of their intentions, the lease rolls over from a final expiry on 31st March 2020 to 31st October 2020. Gemini Rail have a parent company guarantee in place to cover the full rentals of the site. From conversation with the landlord, Gemini Rail have asked about downsizing their footprint at the site and for reducing their lease rentals.

Scottish Enterprise are undertaking due diligence work on Gemini Rail's financial model for Springburn to provide assurances – as far as possible – that the decision to close the facility and any proposal for downsizing is based on robust financial and market information. In order to ensure that the review is carried out in a professional manner, Scottish Enterprise are engaging a financial advisor with a final report expected to be delivered by 18th March 2019.

Unite have repeated claims that ScotRail class 170 diesel units will be getting overhauled by Gemini Rail at Wolverton. Porterbrook Leasing, the vehicle owners have not yet awarded the contract to any organisation. Bill Reeve, Rail Director, Transport Scotland has raised our concerns about Gemini moving the ScotRail vehicles to Wolverton if they were to be awarded the contract with the Porterbrook Chief Executive Officer, [REDACTED] who has assured him that they wish the work to be carried out in Scotland.

[REDACTED]

Section 33(1)(b) – commercial interests

Since the commencement of the current ScotRail franchise in 2015, work valued around £36m has been spent via our franchise support at Springburn on ScotRail classes 156 (£16m) and 158 (£14m) diesel trains and class 320 (£6m) electric train overhauls and refurbishment.

[REDACTED] Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

[REDACTED]

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Note on telecom – main points

28th February 2019 – call with Cab Sec and Mutares and Gemini along with [REDACTED], [REDACTED] and [REDACTED]

Mr Matheson, [REDACTED] of MUTARES and [REDACTED] of Gemini Rail with officials on the call.

1. Mr Matheson pressed both MUTARES and Gemini Rail on their plans and asked them to come clean and raised with them again that we all need more time to consider any options that may remain for the site noting that the consultation with the workforce on closure ends on 2nd March 2019.
2. Both said that there is a MUTARES board meeting on 6th March where a final decision will be made, however when pressed by Mr Matheson on what the outcome will be they would not reveal what the likely outcome will be.

[REDACTED]

From: [REDACTED]
Sent: 06 March 2019 20:28
To: [REDACTED] First Minister FMQs; [REDACTED] Reeve W (Bill);
[REDACTED] Cabinet Secretary for Transport, Infrastructure and
Connectivity
Cc: [REDACTED] ET FMQ/PQ Mailbox; Chief Executive Transport Scotland; Transport
Scotland Secretariat; Transport Scotland Media; [REDACTED]
[REDACTED]@scotent.co.uk
Subject: RE: Gemini Rail FMQ - updated

Following a call with the unions this morning prior to the announcement, we are continuing to work with the industry to examine repurposing of the site for further rail use. There are a number of actions underway; Scottish Enterprise have engaged independent financial advice in reviewing Gemini Rail's model for the site, Network Rail are currently working on providing initial costings and programme for overhead line connection of the site, the landlord, Hansteen Holdings PLC are reviewing the buildings and facilities as they are in need of some attention and the Cabinet Secretary's private office will be arranging another meeting of the key stakeholder's group towards the end of March. Some of actions will not be completed until April.

As for a last minute plea, the Cabinet Secretary has constantly requested Gemini Rail to halt or delay their decision on closure, but it is clear they have made a business decision based on the vehicle refurbishing market experiencing a downturn in the UK. However, the workshops have work to complete for the vehicle owners on vehicles leased to ScotRail until July this year and Gemini Rail have retained the lease on the site until March 2020, so we will have until the lease expiry to work with the industry with a view to repurposing the site for future rail use.

[REDACTED] Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

Te [REDACTED]
Mobil [REDACTED]

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From: [REDACTED]@gov.scot>
Sent: 06 March 2019 20:12
To: [REDACTED]@transport.gov.scot>; First Minister FMQs
<FirstMinisterFMQs@gov.scot>; [REDACTED]@transport.gov.scot>; Reeve W (Bill)
<Bill.Reeve@transport.gov.scot>; [REDACTED]@transport.gov.scot>; Cabinet Secretary
for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Cc: [REDACTED]@gov.scot>; ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>; Chief Executive

Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>; [REDACTED]@gov.scot; [REDACTED]@gov.scot

Subject: RE: Gemini Rail FMQ - updated

[REDACTED] thanks for this.

Can I ask what our next steps are following the announcement of the closure? Is Cab Sec planning any additional engagement? Are we making any last ditch pleas for the site to be saved?

Thanks

[REDACTED]
[REDACTED]
Head of First Minister's Questions team
First Minister's Policy and Delivery Unit

[REDACTED]
[REDACTED]@gov.scot

From: [REDACTED]@transport.gov.scot

Sent: 06 March 2019 18:49

To: First Minister FMQs <FirstMinisterFMQs@gov.scot>; [REDACTED]@transport.gov.scot; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [REDACTED]@transport.gov.scot; Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>

Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>; Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>

Subject: RE: Gemini Rail FMQ - updated

Find updated FMQ.

From: [REDACTED]

Sent: 06 March 2019 17:18

To: First Minister FMQs <FirstMinisterFMQs@gov.scot>; [REDACTED]@transport.gov.scot; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [REDACTED]@transport.gov.scot

Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>; Chief Executive Transport Scotland <ceo@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>

Subject: RE: Gemini Rail FMQ

[REDACTED] Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House

58 Port Dundas Road
Glasgow G4 0HF

Transport Scotland - the national transport agency / Còmhhdail Alba - buidheann nàiseanta na còmhhdail

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An Agency of Scottish Government

From: [REDACTED]@gov.scot> On Behalf Of First Minister FMQs
Sent: 06 March 2019 16:58
To: [REDACTED]@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>;
[REDACTED]@transport.gov.scot> [REDACTED]
[REDACTED]@transport.gov.scot>
Cc: Brannen R (Roy) <Roy.Brannen@transport.gov.scot>; [REDACTED]@gov.scot>; [REDACTED]
[REDACTED]@gov.scot>; ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>
Subject: FW: Gemini Rail FMQ

Coping in out of hours contacts.

Can you confirm when this has been picked up?

Many thanks,

[REDACTED]
[REDACTED]
FMQ Officer
First Minister's Policy and Delivery Unit
[REDACTED]
E mail [REDACTED]@gov.scot



From: [REDACTED] On Behalf Of First Minister FMQs
Sent: 06 March 2019 16:51
To: First Minister FMQs <FirstMinisterFMQs@gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>; [REDACTED]@transport.gov.scot>
Cc: [REDACTED]@gov.scot>; [REDACTED]@gov.scot>; [REDACTED]
[REDACTED]@gov.scot>
Subject: RE: Gemini Rail FMQ

Apologies, we are going to need this briefing back tonight.

Can you confirm this has been picked up?

Thanks,

[REDACTED]
FMQ Officer
First Minister's Policy and Delivery Unit
[REDACTED]
[REDACTED]
E mail: [REDACTED]@gov.scot



From: [REDACTED] On Behalf Of First Minister FMQs
Sent: 06 March 2019 16:50
To: [REDACTED]@transport.gov.scot; [REDACTED]
[REDACTED]@transport.gov.scot
Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]
[REDACTED]@gov.scot; First Minister FMQs <FirstMinisterFMQs@gov.scot>
Subject: Gemini Rail FMQ

Hi there,

Please can we have the Gemini Rail briefing updated to take account of the attached letter please? Grateful if this can be returned for 9:30am tomorrow.

Thanks,

[REDACTED]
[REDACTED]
FMQ Officer
First Minister's Policy and Delivery Unit
[REDACTED]
[REDACTED]
E mail: [REDACTED]@gov.scot



[REDACTED]

From: [REDACTED]
Sent: 06 March 2019 17:18
To: First Minister FMQs; [REDACTED] Reeve W (Bill); [REDACTED]
Cc: [REDACTED] ET FMQ/PQ Mailbox; Chief Executive
Transport Scotland; Transport Scotland Secretariat; Transport Scotland Media
Subject: RE: Gemini Rail FMQ
Attachments: FMQ - Gemini Rail Depot Springburn - 06 March 2019.docx

[REDACTED] Eng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

[REDACTED]
Mobil [REDACTED]

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An Agency of Scottish Government

From: [REDACTED]@gov.scot> On Behalf Of First Minister FMQs
Sent: 06 March 2019 16:58
To: [REDACTED]@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>;
[REDACTED]@transport.gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>
Cc: Brannen R (Roy) <Roy.Brannen@transport.gov.scot>; [REDACTED]@gov.scot>; [REDACTED]
[REDACTED]@gov.scot>; ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>
Subject: FW: Gemini Rail FMQ

Coping in out of hours contacts.

Can you confirm when this has been picked up?

Many thanks,

[REDACTED]

[REDACTED]
FMQ Officer
First Minister's Policy and Delivery Unit
Tel: [REDACTED]
Mob: [REDACTED]

E mail [redacted]@gov.scot



From: [redacted] Behalf Of First Minister FMQs
Sent: 06 March 2019 16:51
To: First Minister FMQs <FirstMinisterFMQs@gov.scot> [redacted]
[redacted]@transport.gov.scot>; [redacted]@transport.gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot> [redacted]
[redacted]@gov.scot>
Subject: RE: Gemini Rail FMQ

Apologies, we are going to need this briefing back tonight.

Can you confirm this has been picked up?

Thanks,

[redacted]

[redacted]
[redacted]
FMQ Officer
First Minister's Policy and Delivery Unit
Tel: [redacted]
Mob: [redacted]
E mail: [redacted]



From: [redacted] On Behalf Of First Minister FMQs
Sent: 06 March 2019 16:50
To: [redacted]@transport.gov.scot>; [redacted]
[redacted]@transport.gov.scot>
Cc: [redacted]@gov.scot>; [redacted]@gov.scot>; [redacted]
[redacted]@gov.scot>; First Minister FMQs <FirstMinisterFMQs@gov.scot>
Subject: Gemini Rail FMQ

Hi there,

Please can we have the Gemini Rail briefing updated to take account of the attached letter please? Grateful if this can be returned for 9:30am tomorrow.

Thanks,

[redacted]

[redacted]
[redacted]
FMQ Officer
First Minister's Policy and Delivery Unit
Tel: [redacted]
Mob: [redacted]
E mail: [redacted]@gov.scot

SPRINGBURN RAILWAY DEPOT

ISSUE: 06 March: The railway workshops located in Springburn, Glasgow (180 employed at site – 120 full time & 60 contractors) closure consultation ended on the 2nd March 2019.

This morning, 06th March, the owners, Mutares, along with the Gemini Rail management met the trades unions and the workforce to announce that they were progressing the closure of the workshops in Springburn.

This site principally carries out refurbishment and repairs of rail vehicles for vehicle owners.

The Cabinet Secretary for Transport, Infrastructure and Connectivity has continued to have dialogue with all parties and stakeholders since the potential for closure was made known.

The unions and the Labour party have called for the Scottish Government to take over the site into public ownership and to have Network Rail and ScotRail operate the site. The site is currently owned by a private landowner, Hansteen Holdings PLC

Top lines

- It is clearly very disappointing that Gemini Rail have announced the closure of the railway workshops at Springburn.
- This must be a very concerning time for the staff on the site and their families.
- We believe that the timescale that Gemini Rail Services Ltd set as part of the statutory consultation process was too short a timescale to allow a review of options for the site to be undertaken.
- The workshops have an order book for ScotRail train refurbishment that runs until July – so there is no need to proceed so quickly with the closure.
- We have been very clear to the owners that they should postpone the closure or withdraw the closure notice entirely.
- This would allow for a full and proper examination of the options for the site, whether that be a sale to a new owner or repurposing.
- The Transport Secretary had made repeated representations to Gemini Rail to extend their closure consultation period to allow for that to happen.
- Despite our representations, Gemini have refused to postpone the consultation and have made a business decision to close the workshops at Springburn.
- No other business in the rail sector is interested in the site in its present configuration hence we continue to do all we can in looking to the potential for repurposing the site.
- PACE support is available for the workers, and they will be meeting with them this week.

The Scottish Government continue to engage constructively with the owners and the Unions in the interests of staff affected, and the Scottish economy.

- We are aware that throughout the UK, there is a general downturn in the amount of work available for sites such as Springburn.
- This is due to the increased number of new rail vehicles being introduced across networks.

SPRINGBURN RAILWAY DEPOT

- However, we believe that consideration still needs to be given to potential options for keeping the site open.
- Transport Secretary has met the owners, Network Rail, ScotRail and unions on three occasions to discuss interest for other parties, potential for the footprint to be reduced and for the creation of an engineering hub.
- He has also discussed how we can best support the staff affected by this decision, through what must be an incredibly difficult time.
- Now that the closure has been announced this makes the exploration of any options by the industry difficult since Gemini Rail retain the lease on the site.

We want to explore the possibility that the Springburn workshops could form part of a proposed rail engineering hub

- Scottish Enterprise is working towards having a rail engineering hub at one or more locations across Scotland where heavy maintenance and/or innovation can take place.
- Work on this is underway and an interim report focusing on the rail vehicle heavy maintenance requirement and investment are due within the next few weeks.
- Scottish Enterprise have been carrying out discussions with the site owner on how the Springburn workshops might fit into the strategic hub idea.
- Transport Scotland has also engaged Network Rail for the cost of providing an electric line connection to the yard with an initial report due by end of April.
- By announcing closure today, this increases our efforts to consult more widely and potentially keep the workshops open as part of a hub network.

Although the market for refurbishment of older rolling stock is challenging, there remains opportunities to bid for future works.

- The train owners (rolling stock lease companies) decide on where heavy maintenance contracts are awarded.
- Refurbishment of ScotRail leased trains at Springburn continues, with the existing orders scheduled to be complete by July 2019.

We are committed to supporting rail services, and have made record investment in rail in recent years.

- Over the last four years, as part of our support to the ScotRail franchise, £475m has been invested in new and refurbished rolling stock.
- The workshops at Springburn has seen £36m of this investment since the ScotRail franchise commenced in 2015.
- The Caledonian Sleeper franchise has also benefitted from investment from the Scottish Government of £60m towards the provision of a new sleeper fleet.
- Though our new electric trains have been built in the north of England and Japan, much of the refurbishment of the rest of our train fleet has occurred in Scotland.
- With work taking place at Wabtec Rail Scotland and Brodie Engineering's facilities in Kilmarnock, Alstom's Polmadie Maintenance Depot, in Glasgow, and at Gemini's railway workshops at Springburn.

[REDACTED]

From: [REDACTED]
Sent: 07 March 2019 11:08
To: Cabinet Secretary for Transport, Infrastructure and Connectivity; Reeve W (Bill)
Cc: [REDACTED] Transport Scotland Media [REDACTED]
Subject: RE: Proposal to close the Springburn rail works facility
Attachments: Gemini Rail - proposal to close Springburn - reply.doc

Find attached letter to [REDACTED] Gemini Rail.

[REDACTED] IEng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

Tel [REDACTED]
Mobile [REDACTED]

Transport Scotland - the national transport agency / Còmhdaill Alba - buidheann nàiseanta na còmhdaill

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From: [REDACTED]@gov.scot> On Behalf Of Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 07 March 2019 10:15
To: [REDACTED]@transport.gov.scot>; Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>
Cc: [REDACTED]@gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>; [REDACTED]@transport.gov.scot>
Subject: RE: Proposal to close the Springburn rail works facility

[REDACTED]

Mr Matheson is content.
Can you please send up on the appropriate template and we'll get that issued today.

thanks

[REDACTED]
Deputy Private Secretary
Cabinet Secretary for Transport, Infrastructure and Connectivity
[REDACTED]

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

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From: [REDACTED]@transport.gov.scot>
Sent: 07 March 2019 08:48
To: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>
Cc: [REDACTED]@gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>; [REDACTED]@transport.gov.scot>
Subject: RE: Proposal to close the Springburn rail works facility

Cabinet Secretary,

Find suggested draft text for a reply to the letter from Gemini Rail.

" Thank you for your letter of 6 March regarding the Proposal to close the Springburn rail works facility.

It is disappointing that the owning group of Gemini Rail has now taken the step of closing the railway workshops at Gemini Rail, Springburn. We have continued to work with rail industry partners, Unite and RMT trades unions, and yourself to explore any options since Gemini Rail announced their intention to proceed with closure of the workshops so this is doubly disappointing.

Of particular concern is the welfare of the staff as this must be a very concerning time for the staff and their families. PACE are meeting your HR staff on 7 March to discuss PACE support for the workforce which is welcome news and I look forward to hearing about a profitable outcome for the staff.

I remain focussed on creating a sustainable future for the site as a rail transport engineering hub and discussions with interested parties are in progress and this will continue. It will clearly take time to develop a proposal that the industry feels is viable, something that is made very difficult by the timescale you set for the closure, despite our repeated requests to you to postpone or extend the timeline. I note that your lease on the site does not expire until March 2020 and we will use that time for our considerations."

[REDACTED] IEng MIMechE

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Glasgow G4 0HF

Tel: [REDACTED]
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From: [REDACTED]@gov.scot> **On Behalf Of** Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 06 March 2019 13:06
To: D [REDACTED]@transport.gov.scot>; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [REDACTED]@transport.gov.scot>
Cc: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot> [REDACTED]@gov.scot>; Transport Scotland Media <DLECONPTSM@transport.gov.scot>
Subject: FW: Proposal to close the Springburn rail works facility

Please see below letter from Gemini.
Grateful for advice and a draft response if necessary.

thanks

[REDACTED]
Deputy Private Secretary
Cabinet Secretary for Transport, Infrastructure and Connectivity
[REDACTED]

All e-mails and attachments sent by a Ministerial Private Office to any other official on behalf of a Minister relating to a decision, request or comment made by a Minister, or a note of a Ministerial meeting, must be filed appropriately by the recipient. Private Offices do not keep official records of such e-mails or attachments.

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From: [REDACTED]@geminirg.co.uk>
Sent: 06 March 2019 13:02
To: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Subject: Proposal to close the Springburn rail works facility

Dear Mr Matheson,

We have been in contact with Amy earlier this afternoon, and we understand that you will try to ring me this afternoon. In advance of that call, I am writing to you regarding the proposal to close the Springburn rail works facility.

Best Regards,

[REDACTED]
Managing Director

Gemini Rail Services UK Ltd.

t: [REDACTED]
m: [REDACTED]
e: [REDACTED]@geminirg.co.uk



Part of the Gemini Rail Group

Wolverton Works, Stratford Road, Wolverton, Milton Keynes

Registered in England & Wales - 086556105

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Cabinet Secretary for Transport, Infrastructure and
Connectivity
Michael Matheson MSP



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

[REDACTED]
Gemini Rail Services UK Ltd
Wolverton works
Stratford Road
Wolverton
MK12 5NT

E: [REDACTED]@geminirg.co.uk

March 2019

Proposal to close the Springburn rail works facility

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Michael Matheson

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St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



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Until 2020



[REDACTED]

From: [REDACTED] on behalf of Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 12 March 2019 14:01
To: [REDACTED]
Cc: [REDACTED]@scotent.co.uk; Reeve W (Bill); [REDACTED]
[REDACTED] Cabinet Secretary for Transport, Infrastructure and Connectivity
Subject: RE: Gemini Springburn Railway workshops - notes of the Telecon 06 March 2019

Hi [REDACTED]

Mr Matheson made one alteration and commented that he is sure [REDACTED] stated something like this, although you may have better detail on it from the meeting.

Thanks,

[REDACTED] | Private Office of the Cabinet Secretary for Transport, Infrastructure and Connectivity and Minister for Energy, Connectivity and the Islands
The Scottish Government | Web: www.gov.scot
Tel: [REDACTED] Email: MinisterECI@gov.scot

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From: [REDACTED]@transport.gov.scot>
Sent: 06 March 2019 16:15
To: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>; McFarlane J (John) <[REDACTED]@gov.scot>
Cc: [REDACTED]@scotent.co.uk; Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>; [REDACTED]@transport.gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>
Subject: Gemini Springburn Railway workshops - notes of the Telecon 06 March 2019

Telecon 06 March 2019 – 0930 - 1010

Mr Matheson, Cabinet Secretary for Transport, Infrastructure and Connectivity

Officials; [REDACTED] TS, [REDACTED] TS, [REDACTED] SE/SDI (joined late due to traffic)

Union representatives;

[REDACTED] – Unite

[REDACTED] RMT

[REDACTED] opened by stating that they have had a clear indication from Mutares this week that they are closing the site. From discussions this week Mutares want to make a financial settlement with the

workforce. [REDACTED]

Section 33(1)(b) – commercial interests

[REDACTED] questioned had Mutares intimated anything to Mr Matheson lately.

Mr Matheson gave an update on the conversation he had with Mutares ([REDACTED] and Gemini Rail [REDACTED] on Thursday of last week where they had told him that the Mutares board was meeting on Wednesday 6th March and that an announcement on their position would be made with respect to Springburn. Mr Matheson challenged them on their intentions, they did not intimate that anything had changed from their original intention to close the workshops.

[REDACTED] raised the question of the ScotRail leased class 170 heavy maintenance that Porterbrook had currently out to tender.

Mr Matheson said that Porterbrook had given an assurance that the 170 work would be carried out in Scotland.

[REDACTED] spoke about how Wabtec, Kilmarnock had been in touch with him about the skills that they are currently recruiting for on Monday and that this was a requirement for ScotRail leased class 320 electric train overhauls (owned by Eversholt Rail Group) commencing in January 2020. (note - on checking with ERG post meeting that this is still out to tender currently with a decision on award by the end of March)

[REDACTED] also asked that they want a solution that keeps a number of jobs at Springburn, as closure leaves all of us concerned with a mess to clear up, what intervention can he expect from the SG?

Mr Matheson spoke about the work that has continued throughout the last months and that any repurposing the site, examining Gemini Rail's financial model going forward, NR preparing costings for the provision of electrification onto the site and understanding the landlords plans will take time.

[REDACTED] urged that an interim solution is required now. SG needs to take control of the workshops with ScotRail taking on the lease. He urged Mr Matheson to direct NR and ScotRail to take it on. Springburn needs state intervention.

[REDACTED] told the call that Gemini Rail despite running down the facility will only relinquish the lease in March 2020.

[REDACTED] then went on to speak about meeting the Mutares board shortly where he will, if SG were willing to take on the site, that he was confident that he could squeeze monies from Mutares that would assist SG taking on the site as an interim solution. He said that one liability that would be removed would be that staff would be made redundant, therefore no pension liabilities etc would remain as a potential stumbling block to taking on the site. [REDACTED] also referred to the members debate in the Chamber where Alex Neil raised the possibility of the state taking control by setting up a dedicated company to operate the site.

Mr Matheson reiterated that the site would not be getting nationalised. As well as this, he reminded those on the call that NR and ScotRail stated previously that they did not require the site or workshops. Mr Matheson also said that he had spoken to [REDACTED] after the debate regarding his comments along the lines that any company would need to be run on a commercial basis and would be in competition with other private companies for any work out to tender.

A [redacted] raised that Abellio want to continue with the ScotRail franchise, so why not use this as a lever to have them operate the site and workshops? ScotRail have the management that know how to run a fleet maintenance facility. They also make the point that if Abellio took on the site they would change their tone towards them on operating the present franchise.

Mr Matheson reiterated the point from above as to what would ScotRail use it for. If they were to take it on they would be bidding for work against private companies where they may not be successful. There needs to be a sustainable business model that works and whilst we are unable to meet the timescales set out by Mutares / Gemini Rail, work is underway on looking at repurposing the site for the possible creation of a hub.

[redacted] spoke on the work underway, but mentioned that SG need to be careful around state aid rules and competition law. We are working with the other players in the industry, especially in the vehicle heavy maintenance sector. We are also looking at how to attract industry to the site and working with the landlord on their future of the site.

[redacted] then ran through a number of items; Gemini Rail are gone, the site is facing a closure announcement today, they are meeting Mutares next to now argue about money for the staff, the SG don't want monies from Mutares that could assist interim intervention by SG, Mutares has financial liabilities and are desperate to make a deal to protect their reputation in the UK, ScotRail 170 work should go to Springburn, ScotRail 320 work should go to Springburn and ScotRail HST work should go to Springburn. If SG don't want any money from Mutares to take on the site then this should be said.

Mr Matheson then referred the call to the meeting in Atlantic Quay where SG has a responsibility to the taxpayer in supporting sustainable business and that taking on any commitment would need to be properly examined by carrying out due diligence.

[redacted] raised the spectre of Scotrail vehicles going to England to be overhauled if Springburn closes.

Mr Matheson pointed out that there are another two heavy maintenance organisations in Scotland, both at Kilmarnock, who have the capacity and have been successful in winning ScotRail leased vehicle workload. Mr Matheson also pointed out that the vehicles are owned by private companies and it is they who decide who the heavy overhauls are awarded to subject to proper competition. Porterbrook have already indicated that they want their ScotRail class 170 heavy maintenance carried out in Scotland.

A [redacted]

Next steps;

- Hansteen – their report on the site to be obtained
- Gemini Rail finances – SE review report to conclude
- Electrification – NR due to come back at end of April, catch up in the interim
- Rail industry forum – ongoing
- Stakeholder meeting – Cab Sec PO to arrange for end of March

Section 30(b)(i) – free and frank provision of advice

[redacted] IEng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor

Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

Mr [REDACTED]

Transport Scotland - the national transport agency / Còmhdhail Alba - buidheann nàiseanta na còmhdhail

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[REDACTED]

From: [REDACTED]@scotent.co.uk>
Sent: 07 May 2019 15:48
To: Cabinet Secretary for Transport, Infrastructure and Connectivity; Cabinet Secretary for Finance, Economy and Fair Work; Minister for Business, Fair Work and Skills
Cc: [REDACTED] Chief Executive Transport Scotland; [REDACTED] Communications Economy; DG Economy; [REDACTED] Transport Scotland Secretariat; Transport Scotland Directors; Transport Scotland Media; [REDACTED] [REDACTED] TRANS; [REDACTED]
Subject: RE: Engagement briefing - Introductory Meeting with Hansteen Holdings plc - Landlords of Gemini Rail Springburn - 23 April 2019

Cabinet Secretary

Please find the meeting note and update below following your introductory meeting with Hansteen Holdings plc, Landlords for the Gemini Rail workshops at Springburn, Glasgow

Tuesday 23rd April 2019 – Scottish Parliament – room T3.03 – 1500-1545

Attendees: [REDACTED] UK Property Director, Hansteen Holdings plc

Supporting officials: [REDACTED] - Scottish Enterprise / SDI
M: 07903628514

Hansteen discussed a number of matters with the Minister leading to various actions:

- **Rail Access**

Hansteen has been furnished with the recent Electrification report prepared at the request of the Minister by Network Rail. Whilst there remains no demand to electrify access to the site at present, we confirmed with Hansteen that **should shared use occupancy of the site for sustainable rail/engineering purposes be identified, if electrification would enhance the site's attractiveness and longer term future prospects, this could be considered.** In addition, we confirmed that an investor/potential investors for the site would need to have shown significant commitment and demonstrate the business case before the line/access would be electrified.

- **Road Access**

Hansteen raised concerns regarding road access to the site. As directed by the Minister, Scottish Enterprise Business Infrastructure Team has contacted Hansteen to **clarify what the access issues are/what requirements ideally look like for the site.** Once clarified, SE will work with Hansteen and our public sector partners in Glasgow City Council and/or Transport Scotland (Roads) as appropriate to see again if we can find and identify costs and plans in delivering potential solutions to help make the site more accessible/attractive.

- **Marketing the Site**

Hansteen confirmed their agents JLL and CBRE are currently preparing marketing brochures for the site. We agreed once the brochures are made available to SE, we will add the details to the portfolio of sites SE collate and disseminate to companies which approach Scottish Development International/Scottish Enterprise looking to identify sites/workshops/etc. SE will flag and action any interest this activity may generate. In addition, SE has asked Hansteen to confirm

what equipment/ the arrangements for use of equipment belonging to Gemini will be/what they will leave on the site that may be repurposed/of value to other companies.



- **Stakeholder Engagement**

As discussed at the meeting with Hansteen, SE has advised Hansteen that Mr Matheson will reconvene the Stakeholder Group in the near future to update on our collective activity to advance our understanding of what future uses the site may have and what support we can collectively bring to the table to help make the site as attractive as possible for shared/single user purposes for the longer term. Hansteen has been receiving short term expressions of interest in the site which poses its own problems but hopefully some will prove viable and will allow the site to remain occupied and provide time for us to work together to explore longer term options.

Next Steps - SE will follow up with Hansteen to summarise feedback on road access issues; outcome from expressions of interest and identify any support; check when site information will be available for promotion.

[Redacted] International Manager for Infrastructure, Manufacturing and Construction |
Scottish Development International
www.scottish-enterprise.com | www.sdi.co.uk | www.hient.co.uk
+ [Redacted]

From: [Redacted]
Sent: 22 April 2019 22:37
To: CabSecTIC@gov.scot; CabSecFEFW@gov.scot; MinisterBFWS@gov.scot
Cc: [Redacted]@transport.gov.scot; ceo@transport.gov.scot; [Redacted]@transport.gov.scot;
CommunicationsEconomy@gov.scot; DGEconomy@gov.scot; [Redacted]@gov.scot; TSS@transport.gov.scot;
DLECONPTSD@transport.gov.scot; DLECONPTSM@transport.gov.scot; [Redacted]@transport.gov.scot;
[Redacted]@transport.gov.scot; [Redacted]@transport.gov.scot; [Redacted]@transport.gov.scot;
[Redacted]@transport.gov.scot; [Redacted]@transport.gov.scot; [Redacted]@transport.gov.scot;
[Redacted]@scotent.co.uk>; [Redacted]@gov.scot;
[Redacted]@transport.gov.scot; [Redacted]@scotent.co.uk>
Subject: Engagement briefing - Introductory Meeting with Hansteen Holdings plc - Landlords of Gemini Rail
Springburn - 23 April 2019

Cabinet Secretary,

Find briefing for tomorrow's introductory meeting with Hansteen Holdings plc, Landlords for the Gemini Rail workshops at Springburn, Glasgow

Tuesday 23rd April 2019 – Scottish Parliament – room T3.03 – 1500-1545

Attendees;

[REDACTED] UK Property Director, Hansteen Holdings plc

Supporting officials

[REDACTED] - Scottish Enterprise / SDI

M: [REDACTED]

Key messages

I remain disappointed that Gemini Rail have made a business decision to close the workshops at Springburn.

I will continue to do all we can in looking to the potential for repurposing the site and I am keen to understand Hansteen's review of potential options for the site and what we can do to support you.

Briefing

Springburn site lease - Gemini Rail, as expected, notified the Springburn site landlord, Hansteen Holdings plc, that they will be relinquishing the lease. This means that Gemini Rail's lease for the Springburn site will now expire on the 31st March 2020. Hansteen has had a team of surveyors on site in preparation to market the site for heavy engineering purposes. Hansteen has given a commitment to work with Scottish Enterprise and Scottish Government in attracting new rail/engineering businesses to the site. To date, Scottish Enterprise is not aware of significant interest by any organisation.

Gemini Rail business model for Springburn - Scottish Enterprise have had external finance consultants carrying out due diligence on Gemini Rail's business model for the Springburn site and a draft report is now available. Basically, the report underlines that given the losses sustained by Gemini at both their Springburn and Wolverton facilities, the declining market for heavy maintenance and the unsuitability of the site for alternative light rail engineering uses, the decision to close is surprising only in that it was not made sooner. Whilst separated accounts for Springburn were not made available by Gemini, even excluding some unexplained expenditure apportioned to Springburn within the group, the site was making and forecasting heavy losses and none of the models explored by Gemini and reviewed by SE's independent financial advisors proved viable.

Following consultation with the industry through the Rail Forum and reviews by officials, no interest has been shown in the site for exclusive or shared use by the rail industry. Scottish Enterprise asked the industry to provide high level details of their resources and facilities available in Scotland to allow Scottish Enterprise to take stock and understand the way forward in considering **repurposing of the site at Springburn** alongside other rail assets, aligned to current and future markets. Response by the industry was poor. Whilst the Unions claim that the site is a strategic asset in Scotland, Scottish Enterprise has found no evidence or interest to support this claim.

Electrification - The provision of overhead line electrification onto the Springburn site has been added to the Control Period 6 pipeline of projects and Network Rail are working on costs and timeline for installation of the overhead electric wires onto the site to Network Rail GRIP1 level. However, at present, based on the evidence of demand to date, Scottish Enterprise sees no business case that electrified access to Springburn in itself will improve the attractiveness of Springburn, given the issues with the available access route, the age of buildings and their related operating costs.

Hansteen confirmed to Scottish Enterprise that it is likely that the site will require significant investment. **Hansteen is prepared to invest in the site** and is looking at options with a view to developing the site and securing a fair and long term return on any investment made.

Hansteen Holdings plc - buy undervalued portfolios, often with high levels of vacancy or other opportunities to add value. Hansteen apply an intensive programme of improvement using their local management teams and sell to realise the value added. Hansteen has created a high-yielding property portfolio that is managed from 6 offices across the UK. Hansteen acquired Springburn as part of a portfolio of sites in 2019.

[REDACTED] UK Property Director, Hansteen Holdings plc - Experienced professional in the multi let industrial / urban logistics sector, with extensive knowledge and skills in the acquisition , asset management and profitable disposal of industrial property across the UK and continental Europe.

Kind regards

[REDACTED]
[REDACTED] International Manager for Infrastructure, Manufacturing and Construction | Scottish Development International
www.scottish-enterprise.com | www.sdi.co.uk | www.hient.co.uk
[REDACTED]

Scottish Enterprise
<http://www.scottish-enterprise.com>

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Head office and contact details:

Atrium Court
50 Waterloo Street
Glasgow
G2 6HQ
Tel **[REDACTED]**
Fax **[REDACTED]**

Message is sent in confidence for the addressee only. It may contain legally privileged information. The

[REDACTED]

From: [REDACTED]
Sent: 29 May 2019 10:46
To: Cabinet Secretary for Transport, Infrastructure and Connectivity
Cc: [REDACTED]@transport.gov.scot); [REDACTED]
[REDACTED]@scotent.co.uk; [REDACTED]@scotent.co.uk;
Reeve W (Bill)
Subject: RE: Letter from Bob regarding St Rollox
Attachments: Bob Doris MSP to Cabinet Secretary for Transport 28 May 2019.pdf

Cabinet Secretary,

Please find the following in response to the points made by Bob Doris in his letter of 28th May 2019.

The rolling stock heavy overhaul contracts carried out at the Springburn workshops are awarded by the vehicle owners, whom ScotRail and other GB rail franchises lease rolling stock from for their rail operations.

For the current ScotRail leased fleet, the following owner responsible heavy overhauls are in progress or in planning;

Porterbrook Leasing:

Class 170 diesel – has been awarded to TXM, a company that has chosen to rent workshop facilities at Springburn using their own staff with work due to commence at the end of August 2019. It is likely that the staff at Springburn are already aware of this as both the rolling stock owner and supplier have been visiting Springburn as part of their delivery preparedness.
Class 170 diesel – Porterbrook are in the process of awarding a contract which is likely to go to WABTEC, Kilmarnock, subject to contract closure and is not public knowledge yet.

Eversholt Rail Group:

Class 320 refresh – currently in progress at Springburn with Gemini Rail completing that work on this programme by end of May 2019
Class 320 time based overhaul examination (TBOX) – Eversholt are in the process of awarding a contract which is likely to go to Brodie Engineering, Kilmarnock, subject to contract closure and is not public knowledge yet.

Angel Trains:

High Speed Trains (HST) – currently this work is being carried out by WABTEC at both their Doncaster and Kilmarnock workshops
Class 156 refurbishment – currently this work is being carried out at Springburn with Gemini Rail completing the work on this programme by end of July 2019
Class 156 retrofit – Angel trains have decided to award this overhaul contract to Chrysalis Rail, whose workshops are in Long Marston near Stratford on Avon. This is a contract for 15 2 x car units valued at £1m. At Rail Director level TS has challenged Angel Trains on this work not remaining in Scotland. Angel Trains have defended their position on this by stating that WABTEC Kilmarnock are unable to undertake this work due to their current workload and Brodie Engineering is not accredited to Angel Trains for carrying out heavy overhaul of their rolling stock.

With respect to a 'pipeline of work', this is determined by the rolling stock owners, dependant on the rolling stock manufacturers maintenance requirements and the franchise commitments made by franchisees.

Scottish Enterprise have received the independent due diligence review of Gemini Rail's financial model plan for the site which shows that Gemini Rail's decision based on market conditions in the rail vehicle overhaul market and the losses being encountered by their business is in line with that reported during the key stakeholder meetings and Scottish Enterprise are preparing to supply the content of the report to stakeholders.

Rolling stock that is leased by franchise operators is subject to a leasing agreement contract that contains for the life of the contract the details of the heavy maintenance requirements, frequency, work content, vehicle release rates to an overhauler etc and is agreed between the owner and the franchise operator prior to the commencement of the rail franchise. The Scottish Government is not a party to the lease agreement contract.

With respect to the description of the rail industry as 'fragmented' the Scottish Government does not, at present, have the powers to consider the full range of options for delivering Scottish rail services. It is the current UK legislation that constrains our choices in respect of the rail infrastructure and the operation of rail passenger services. You have discussed this issue with Keith Williams, who is leading on the ongoing UK Rail Review. The conclusions of the Review are not yet known – it is due to report in Autumn 2019 – although it is expected to lead to structural change in the rail industry. We will continue to press for the full devolution of rail powers to Scotland, which is essential if we are to deliver services that meet Scotland's needs and it is clear that the whole railway system in Scotland must be fully accountable to the Scottish electorate, in order that we can be assured of its focus on meeting Scotland's needs. This would enable flexibility for the Scottish Government to respond swiftly to changes in the prevailing economic conditions and ensure that the overarching policy framework for rail in Scotland could be future-proofed.

Scottish Enterprise is continuing to work with the rail industry and with the landlord towards repurposing of the site for further rail use. Discussions are progressing in partnership with the landlord on exploring options to enhance the attractiveness of the existing facilities including access by road and rail, aligned to identifying and securing rail/engineering related companies. As an aid to this, Network Rail has produced their GRIP1 study into the provision of overhead electric line onto the Springburn site and this has been shared with the landlord, Hansteen, for their use.

PACE continue to be involved with the staff affected by the closure of the workshops. Out of the original 180 staff Gemini Rail employed at Springburn, to date they still have 126 on site (74 permanent & 52 contractors). All of those who have left to date have been either resignations, a small number of voluntary redundancies and redundancies for those who have requested to leave early. Those that have sought further employment have found new employment elsewhere. Both WABTEC and Brodie Engineering have taken on a number of staff from Springburn.

The number of staff on site will reduce at the end of each of these months as follows:-

May down to 70 permanent members of staff & around 32 contractors
June down to 66 permanent members of staff & around 32 contractors
July down to 15 permanent members of staff and no contractors

This is in line with a reduction in Gemini Rail's contracted workload at Springburn.

The report that £1m was being made available to the Scottish Government from Mutares, I spoke with Christian Klinger of Mutares on the 30th April 2019 and Christian confirmed to me that there was no offer of £1m for SG to take on Springburn and that they would not be making an offer.

██████████ IEng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

Tel: ██████████
Mobile: ██████████

Transport Scotland - the national transport agency / Còmhhdail Alba - buidheann nàiseanta na còmhhdail

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An Agency of Scottish Government

From: ██████████@transport.gov.scot> On Behalf Of Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 28 May 2019 10:41
To: ██████████@transport.gov.scot>
Cc: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>
Subject: FW: Letter from Bob regarding St Rollox

Hi ██████████

Mr Matheson has asked for a note to respond to all of these issues before the next meeting.

Thanks,

██████████ Private Office of the Cabinet Secretary for Transport, Infrastructure and Connectivity and Minister for Energy, Connectivity and the Islands
The Scottish Government | Web: www.gov.scot
Tel: ██████████ | Email: CabSecTIC@gov.scot

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From: ██████████@parliament.scot>
Sent: 28 May 2019 10:35
To: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>; Matheson M (Michael), MSP <Michael.Matheson.msp@parliament.scot>
Cc: ██████████ (Councillor) <██████████@glasgow.gov.uk>; ██████████ (Councillor) <██████████@glasgow.gov.uk>; ██████████ <██████████@glasgow.gov.uk>
Subject: Letter from Bob regarding St Rollox

Dear Michael,

Please find attached a letter from Bob regarding the St Rollox site. I have also cc'd Councillors [redacted]

All the best,

[redacted]

[redacted]

Parliamentary Assistant to Bob Doris, MSP for Maryhill and Springburn
The Scottish Parliament
Edinburgh
EH99 1SP

Email: [redacted]@parliament.scot

Phone: [redacted]

Please note that I work on a part-time basis

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The Scottish Parliament
Pàrlamaid na h-Alba

Michael Matheson MSP
Cabinet Secretary for Transport, Infrastructure
and Connectivity
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG



Date: 28 May 2019

Dear Michael,

As you will be aware, I continue to urge the Scottish Government to do all it can to protect jobs at, and an industrial future for, the Caley site at St Rollox. I recently discussed these matters with my council colleagues Christina Cannon, Graham Campbell, and Allan Casey whose wards adjoin the site and we would like to request some additional information and clarity regarding the current situation.

Our position has not changed since I first raised the matter at First Minister's Questions on 13/12/18 and I am pleased that my intervention led to a stakeholder group being formed and chaired by yourself. I note that it has now met on 20/12/18, 23/1/19, 21/2/19, and 2/4/19 and will shortly meet on 30/5/19. As you know, I made a variety of suggestions for exploring a future at St Rollox during my Members' Debate on 20/2/19, as well as during a colleague's debate on 19/2/19.

The stakeholder group meetings have been deeply frustrating given Gemini showed an absolute lack of flexibility, innovation or willingness to look at ways to save the Caley, including downsizing and actively bidding for work. They remained wed to a financial model that attributed central costs to the St Rollox side of their business and in a way that caused significant concern. It was also disappointing to hear that there was no demand for the site from public agencies such as Scotrail or Transport Scotland. As a result, you have confirmed that the Scottish Government is not looking to take Gemini into public ownership. We understand, meanwhile, that UNITE have stated that work is being sent to England for both old and new rolling stock because of insufficient engineering maintenance, staffing and depot capacity. It would be helpful to have clarification on that point.

Bob Doris MSP
e-mail: bob.doris.msp@parliament.scot
Constituency Office, Maryhill Burgh Halls, 10-24 Gairbraid Avenue, Glasgow G20 8YE
Phone: 0141 946 7700

When Gemini announced its intention to consult on closure, it made a number of assertions, including the following:

'It is very clear, as it has been for some time, that numbers of traditional rolling stock (pre-privatisation vehicles) which have been the cornerstone of our business for many years, are in decline. This is due to the introduction of new rolling stock that needs less maintenance which will be carried out by the manufacturer in the future. The decline in the older rolling stock means that there will now be less demand for heavy maintenance, overhaul and refurbishments. Moreover, Springburn is suffering from considerable losses. The facility continues to experience a severe drop in demand levels due to its location, as only c10% of accessible rolling stock is in Scotland and the North of England. The business now needs to be reconfigured to adjust to these market challenges, which are outside of our control.'

Apart from the debate over losses attributed to the Springburn site, it would appear clear that companies such as Gemini are operating in a shrinking market place. You will recall from the debate I led that I requested for details of how the 'pipeline of work' within the sector which Scottish sites could bid for is being mapped out going forward to better plan and manage the industry in Scotland. We would be grateful for details of how the Scottish Government is seeking to establish this. It would be helpful if you could provide information as to how Scottish Enterprise, along with partners, has sought to establish whether the current economic model at St Rollox is sustainable, and what diversification opportunities could improve the sustainability of operations at the site.

Another matter about which we seek information is the ability of either the Scottish Government or Scotrail to award refurbishment or other rail rolling stock work to a specific company with a view to retaining jobs and skills in Scotland. It is our understanding that as part of UK Conservative privatisation of the sector, rolling stock is owned by one of three ROSCOs (Rolling Stock Operating Companies) and that they lease it back to operators such as Scotrail. As part of this process should Scotrail wish to lease rolling stock (which requires to be refurbished), they must enter into an agreement whereby a ROSCO will tender for and decide which company will secure the work to refurbish the rolling stock. In other words, ROSCOs cannot be directed by the Scottish Government nor Scotrail as to which company wins any particular contract. Indeed, I wrote to Porterbrook (a ROSCO) regarding a tender to refurbish nearly 100 Scotrail and Northern Rail 'Class 170' carriages to extol the virtues of St Rollox to secure the work. However, I have no idea if Gemini ever bid for the contract. What we would like to establish though is the ability of the Scottish Government to influence such tenders in an appropriate fashion.

For our part, the fragmented nature of Scotland's railways is wholly unsatisfactory and we would request the Scottish Government consider how the system of procurement including ROSCO leasing arrangements can be brought back into strategic public control together with track and rolling stock operators. The reforms of the UK Conservative Government have caused

significant damage to the sector while the last UK Labour Government unfortunately did not see fit to unpick the system (including ROSCOs). We would therefore request information as to how the Scottish Government would seek to reform the sector more widely. This may seem an abstract point. However, it is a very real challenge given Scotland will wish to plan strategically in this area going forward, including ensuring that skilled jobs within the sector stay in Scotland.

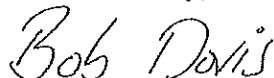
We do welcome that the Scottish Government has actively sought to identify interested parties who could make use of the site as an industrial base and has explored the costs/benefits of electrifying the rail track into St Rollox and remains prepared to act if a business case can be made. These were two key asks myself and others have made. We were also pleased to hear that there has been definite interest in the site and that Scottish Enterprise has been working with the owners of the site, Hansteen, to see what investment could be secured. I am sure you will also appreciate that as well as retaining skilled jobs and an industrial base in north Glasgow, we would want to ensure all options are explored including (especially given a climate emergency has been declared) whether this may dictate further investment in rail within Scotland. We would welcome the prospect of St Rollox potentially having a role in any future expansion within the rail sector.

It would be helpful to get an update on this at the meeting on 30/5/19. It would also be helpful to get some clarity on another matter.

It was reported in the media that an offer of £1m to take the site was available to the Government with incentives from the owners Gemini Rail to hand over liabilities for the site. We understand that Transport Scotland has said that Gemini Rail has made no formal offer to Scottish Enterprise, and therefore no offer has been refused. We would welcome any realistic intervention from the Scottish Government that could retain jobs and operations at St Rollox and would seek an update on this situation. It would also be helpful to know, should any offer be made, whether there is now an order book to allow any public agency to provide work for employees. It was also reported that there are now seventy directly employed workers as opposed to the original 120. We would ask what support PACE has offered to help secure appropriately skilled employment for those who left, including how many former employees have secured such a positive destination. Can you also advise whether PACE will continue to offer support and track these outcomes?

Many thanks for giving these matters your attention.

Yours sincerely,



Bob Doris MSP for Maryhill and Springburn (SNP)

CC Councillors 

[REDACTED]

From: [REDACTED] on behalf of Cabinet Secretary for Transport, Infrastructure and Connectivity
Sent: 02 July 2019 15:14
To: [REDACTED] Cabinet Secretary for Transport, Infrastructure and Connectivity; [REDACTED] Chief Executive Transport Scotland; Communications Economy; DG Economy; [REDACTED] [REDACTED]
[REDACTED] Press Transport Scotland; Transport Scotland Directors; Transport Scotland Media; Transport Scotland Secretariat
Cc: [REDACTED]
[REDACTED]
[REDACTED]@scotent.co.uk; [REDACTED]@scotent.co.uk; [REDACTED]
[REDACTED]
Subject: RE: Ministerial briefing - Springburn Railway workshops - 28 June 2019

[REDACTED]

Mr Matheson has noted the below.

Many thanks

[REDACTED]

[REDACTED]

Assistant Private Secretary to Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure & Connectivity
The Scottish Government | Web: www.gov.scot
[REDACTED], Email: CabSecTIC@gov.scot

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From: [REDACTED]@transport.gov.scot>
Sent: 28 June 2019 09:52
To: Cabinet Secretary for Transport, Infrastructure and Connectivity <CabSecTIC@gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>; Chief Executive Transport Scotland <ceo@transport.gov.scot>;
Communications Economy <CommunicationsEconomy@gov.scot>; DG Economy <DGEconomy@gov.scot>; [REDACTED]
[REDACTED]@gov.scot> [REDACTED]@gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>; [REDACTED]@gov.scot>; Press Transport
Scotland <media@transport.gov.scot>; Transport Scotland Directors <DLECONPTSD@transport.gov.scot>; Transport
Scotland Media <DLECONPTSM@transport.gov.scot>; Transport Scotland Secretariat <TSS@transport.gov.scot>
Cc: [REDACTED]@transport.gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot> [REDACTED]@transport.gov.scot>; [REDACTED]
[REDACTED]@transport.gov.scot>; [REDACTED]@transport.gov.scot>; [REDACTED]
[REDACTED]@scotent.co.uk; [REDACTED]cotent.co.uk; [REDACTED]
[REDACTED]transport.gov.scot>; [REDACTED]transport.gov.scot>;

Subject: Ministerial briefing - Springburn Railway workshops - 28 June 2019

Cabinet Secretary,

Find the following update.

The site is now being actively marketed by CBRE on behalf of the landlord, Hansteen Holdings Ltd with the main summary details being;

- Gross Internal area (GIA) of 279,303 sqft (25,948 sqm)
- Site area of 16.63 acres (6.73 Hectares)
- Operational Rail Maintenance Depot
- Direct rail links into most workshop bays
- Significant power capacity
- Variety of gantry and swing cranes internally
- Eaves heights of 6.77–9.48 metres
- Available for new lease–50,000–279,303 sqft
- The property is available on a new lease, or alternatively Hansteen may consider selling the property in whole

Scottish Enterprise is aware of 2 organisations that are interested in the site, both are interested in utilising the site for rail vehicle orientated operations and Scottish Enterprise continue to monitor discussions.

The landlord, Hansteen has produced a report regarding road access to the site which is seen to be difficult for HGVs to access . The main conclusion is that a number of waiting restrictions will be required in the adjacent street due to the number of cars parked on a daily basis in the area. It also notes that signage for directions to the site need to be improved.

PACE support continues to be provided to employees of Gemini Rail Services. The current headcount is 67 employees (as at 14th June 2019). Training continues and is being funded and delivered by Gemini Rail Services, Flexible Workforce Development Fund & Unite, Employability Fund and Rapid Response Fund. A jobs fair was held on the 20th May and this was well attended by employees. PACE are tracking employees who have left in respect of; secured employment, retired, unemployed and from the 31 who left in April/May, 20 secured employment, 4 have retired and 6 area unemployed, with 1 status unknown. At the end of July when the last vehicle overhaul contract is completed, the headcount is predicted to be reduced to 16 employees.

Cabinet Secretary to note.

[REDACTED] IEng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

Tel [REDACTED]
Mobile [REDACTED]

Transport Scotland - the national transport agency / Còmhdaill Alba - buidheann nàiseanta na còmhdaill

SCANCE Contribution: Gemini Springburn railway workshops closure

- ◆ **Gemini Rail, the new owner of a long established railway workshop located in Springburn, Glasgow has commenced consultation on the closure of the workshops and the staff are due to receive redundancy notices on Monday 4th march 2019.**
- ◆ 180 staff are employed at site – 120 full time & 60 contractors
- ◆ The Cabinet Secretary for Transport, Connectivity and Infrastructure has repeatedly requested Gemini Rail to postpone the consultation for closure of the workshops, the most recent being on the 23rd January, Gemini have refused to postpone the consultation.
- ◆ The Cabinet Secretary has met with the Gemini Rail and rail industry partners, and has used these opportunities to reinforce the importance of this facility at Springburn and the need to keep similar work in Scotland.
- ◆ Meanwhile, the Cabinet Secretary has continued to work with rail industry partners, the unions, and Gemini Rail to explore any options for the workshops, however, the timescale that Gemini Rail have set as part of the statutory process are making this extremely difficult.
- ◆ At the most recent meeting with the trades unions, ScotRail, Network Rail, Scottish Enterprise and Transport Scotland, the unions were disappointed to hear that their plea for the site to be nationalised and taken over by Network Rail and for ScotRail to operate it was not going to happen.
- ◆ Both Network Rail and ScotRail do not have an immediate use for the site or the workshops for their operations.
- ◆ The last contracted work being undertaken at the workshops is due for completion during July 2019

Speaking Note

This Government's commitment to rail and our record investment in the industry is unprecedented, so the news that the owners of the Springburn plant have a closure process underway is concerning with 120 full time and 60 contracting staff's jobs at risk.

Gemini Rail have made a business decision to close their rail vehicle overhaul workshops at Springburn, Glasgow due to a lack of contracts, and reported losses, and concentrate their operation at their other workshops at Wolverton, near Milton Keynes, England.

I have repeatedly requested Gemini Rail to postpone or delay the closure consultation process, however, they have refused to do so and their consultation process timescale has made the exploration of any options extremely challenging.

There is a general downturn in the rail vehicle overhaul business in the UK due to the number of new rail vehicles being, or having been introduced in recent years, including for both of our Rail Franchises with the resulting retirement of British Rail built vehicles.

In Scotland we have 2 other rail vehicle overhaul businesses, WABTEC Rail Scotland and Brodie Engineering, both based in Kilmarnock, both of whom are currently recruiting staff. These two organisations have similar capability to the Springburn workshops.

I have continued to engage with the company, the trades unions and the rail industry on any options that may exist for retaining the workshops at Springburn. Unfortunately there has only been minimal interest from another organisation and both Network Rail and ScotRail have no immediate operational use for the workshops.

The 45 day closure consultation is due to end on the 2nd March 2019 with staff due to start receiving redundancy notices on Monday 4th March 2019.

[REDACTED]

From: [REDACTED]
Sent: 18 June 2019 14:39
To: Cabinet Secretary for Transport, Infrastructure and Connectivity
Cc: [REDACTED]; [REDACTED]@scotent.co.uk; [REDACTED]@scotent.co.uk;
[REDACTED]
Subject: Note of the Springburn Railway workshop stakeholder meeting - 30th May 2019
Attachments: GEMINI UPDATE - 29 MAY 2019.docx; 190429_Overview Report_Glasgow Works Electrification Initiative_V1.0.pdf

**Note of the Springburn Railway workshop stakeholder meeting
30th May 2019
Parliament Committee Room 3**

Present:
Michael Matheson, Cabinet Secretary, TIC
[REDACTED] SE/SDI
[REDACTED] PACE
[REDACTED] COO, Network Rail
[REDACTED] COO, Abellio ScotRail
[REDACTED] Eng Director, Abellio ScotRail
[REDACTED] Transport Scotland
Glasgow District Council rep
Bob Doris, MSP
Paul Sweeney, MP
[REDACTED] Unite
[REDACTED] Unite

MS gave an update on PACE progress – copy attached ' GEMINI UPDATE – 29 MAY 2019'

[REDACTED] commented that some staff who have received redundancy, but had to leave for another job have missed out on 'payment in lieu of notice' and are only receiving the statutory payments. He congratulated ScotRail for assisting with around 50 staff receiving tuition in writing CVs in conjunction with Glasgow City College. He also mentioned that UNITE are going into dispute with Gemini Rail within 6 weeks on current pay negotiations at Wolverton.

[REDACTED] gave an update on Scottish Enterprise / SDI progress

There is currently one expression of interest in the site which she was unable to disclose at this time for rail use. the landlord is actively marketing the site from next week. A question was raised on keeping the workforce on if there is interest. The time that it will take for marketing and turning any interest into taking on the site will be beyond the current timeframe for all the staff employed by Gemini Rail leaving. The current interest is from a company in the rail overhaul sector who is looking to expand, but they do need to have the site repurposed for their needs and are working with the landlord on this, but it will require investment in the site.

The landlord is only willing to invest in the site if they have an organisation who has a long term interest in the site.

asked specifically if NR had a use for the site? replied that at this point in time they did not have an interest in the site.

asked if SG could direct NR to take the site into its estate and act as landlord? MM replied that we need to wait and see what interest materialises in the site.

questioned as to how support for the Scottish Rail network is being supported in future? MM spoke about there being another 2 major rolling stock overhaul organisations in Scotland, WABTEC and Brodie Engineering, both in Kilmarnock. He pointed out that overall there is a reduction in the rolling stock overhaul market due to the introduction in new rolling stock entering service throughout the UK. It is important that we keep working with the existing suppliers to keep them sustainable. Present models do not appear sustainable due to the downturn in work and Scottish Enterprise are working with the rail sector to ensure they are ready for the future. MM pointed out that he had discussions with Angel Trains on HST work for Scotland and that this has resulted in WABTEC moving HST work to Kilmarnock.

asked that SG needs a policy on stopping the casualization of rolling stock work and that Sg should take on the site. MM replied that SG taking on the site would not work as the site would need to compete with private organisations, be a sustainable business and that state aid would be a big issue.

continued with her report that she has been working with the landlord on road access and that the landlord has been examining this as it is a problem, a report has been commissioned and will be shared with GCC. This should be available next week.

referred to the recently completed financial analysis report into Gemini Rail Services UK Ltd; trading performance, underlying business model and the market opportunities and committed to sharing the report with all stakeholders. questioned the use of public monies since he suggested the report only confirmed the financial numbers that he had reported at previous stakeholder meetings.

NR overhead electric line provision for Springburn

gave an update on the provision of overhead electric line onto the site – copy attached '*190429_Overview Report_Glasgow Works Electrification Initiative_V1.0*'

committed that this will be shared with all stakeholders and the landlord for Springburn.

It was raised by that, could the scheme not be reduced to give a lower cost? The lowest price in the NR report is basically the reduced scheme.

poke about the jobs are going and that this is disappointing, this closure is about the Caley people, not the buildings and that on his return to the workshops following the meeting he would be telling his members that SG are sacrificing their jobs. stated that SG was hiding behind state aid issues for not taking over the site and business.

suggested that the remaining staff could be gainfully employed over the closure period until work becomes available by restoring the South African steam locomotive built by the NBL in Glasgow that is on display at Summerlee Heritage Museum.

said, it is about the future and it is now time to stand up to state aid.

MM said, repurposing is about making the site fit for purpose, this might mean new workshops. Whilst the current staff might not be a part of that, we are looking to the future, not to the past.

This will not happen tomorrow, it is going to take time. He made the point that SG has to stand by the laws of the country and that SG actually legally tests investments for state aid before any decisions are made and SG does get negative advice on some investments that they would like to take forward.

The statement of Mutares making an offer to SG

It has been reported and repeated that Mutares was willing to make an offer of £1m to the SG to take over the site and the business of Gemini Rail at Springburn. This has been checked by TS officials and Mutares have denied that such an offer was to be made.

MM reminded [REDACTED] that at the 3rd April stakeholder meeting that he said he would send details of the offer and subsequently raised this at the STUC meeting and he has not done so. [REDACTED] said that on leaving the meeting he would contact Mutares and confirm that they will make an offer to SG. MM told [REDACTED] that if he was speaking to Mutares and they wish to make an offer to SG, then they should do so to SG direct and only then would we consider it.

[REDACTED] IEng MIMechE

Rolling Stock Programmes Sponsor
Rail Franchise Management Team
Transport Scotland
7th Floor
Buchanan House
58 Port Dundas Road
Glasgow G4 0HF

Tel [REDACTED]
Mobile [REDACTED]

Transport Scotland - the national transport agency / **Còmhhdhail Alba - buidheann nàiseanta na còmhhdhail**

For more information on the work of Transport Scotland visit: www.transportscotland.gov.uk

An Agency of Scottish Government

GEMINI RAIL

PACE SUPPORT FOR EMPLOYEES

30 MAY 2019

1. PACE SUPPORT

A comprehensive programme of PACE support has been delivered to Gemini employees.

PACE Presentations (19 - 23 March 2019)

8 Presentations have been delivered onsite by PACE Advisers to **68 employees**.

Workshops (15 - 30 April 2019)

9 Workshops on various topics have been delivered to **59 employees**. Dates for additional workshops have been offered.

One to One Career Planning (13 - 24 May 2019)

A PACE Adviser was on site for 5 days delivering **one to one career planning interviews and 38 individuals** were seen. Dates for one to one interviews for a further 5 individuals are being arranged.

2. JOBS FAIR (20 May 2019)

A jobs fair was held on 20 May 2019 where employees could speak with PACE Partners including Skills Development Scotland, the Department for Work and Pensions, Business Gateway and Glasgow City Council.

Pension Wise had hoped to attend the Jobs Fair but was unable to do so on the day. Details of individuals interested in the services on offer from Pension Wise have been forwarded on to Pension Wise.

Over 50 employees attended the event. Gemini received excellent feedback from the employees, agencies, employers and PACE Partners who attended.

Employers who attended the Jobs Fair:

- **Allied Vehicles** - a number of interviews have taken place, one job offer made already.
- **Windhoist Ltd** - a number of interviews have taken place this week and the company is hopeful that offers of employment will be made.
- **Forsyth of Denny** - particularly interested in welders and are following this up specifically.
- **Alexander Dennis** - interviews have already taken place with more than one job offer being made with staff taking up posts after they leave Gemini.
- **GE Aviation Services** – representatives of this company informed Gemini that they were impressed with the calibre of candidates available especially those from a multi-disciplined background. They have been working with individuals to ensure their CVs are job specific for the job roles that will be available with GE.
- **Thomas Pettie Group** - unable to attend on the day but have had CVs submitted to them by staff who have since attended interviews.
- **Scotrail** - Company is specifically looking for train drivers and discussed these opportunities with employees.
- **Recruitment Agencies** - Primestaff, First People Solutions, Randstad (very impressed with the staff at the event and took away a number of CVs to consider), Clemtech (already used by Gemini for contract staff and a number of employees have signed up for contract work), SWGR (local agency very optimistic about being able to take on employees for railway and welding opportunities).

3. OTHER SUPPORT

All employees have been provided with a **PACE Facing Redundancy Guide** and a local support services information leaflet.

89 Copies of the publication **Positive Steps** have been provided to employees.

Digital Skills Training has been organised by Unite the Union.

Representatives of Glasgow City College have supported employees with **typing of CVs**.

4. TRAINING

PACE services have been promoted widely including during 1-2-1 consultation meetings, through Unite the Union Members' meetings and on posters displayed onsite. Leaflets are also freely available in the canteen area. However despite this, the company has indicated that only a small proportion of employees have opted to use the PACE services or to request training.

Attached separately is a copy of an extract from the Training Plan for employees which indicates, as at 11 May 2019, what training has been requested and where funding has already been granted/or soon to be granted.

For example, 20 people have been trained in job search/CV writing with a further 21 people booked to attend. This has been organised by Unite the Union and delivered jointly by Scot Rail and City of Glasgow College.

6 individuals are booked to attend an 18th Edition course from 4 – 6 June 2019.

1 person is booked to attend training on a Coded Welding Qualification course and another is booked to attend a Temporary Electrical Systems course on 11 June 2019.

Following the one to one interviews, the PACE Chair has provided feedback to the company regarding any new/changed training needs.

5. FUNDING

Funding has been made available from various sources.

Employees with identified training needs have been referred to appropriate providers/funding streams – the most likely sources of funding available will be the Employability Fund and Rapid Response Funding.

These funds can be accessed on an individual basis with support from a PACE Adviser. Funding is intended for training that will meet the needs of the individual and the local labour market.

The company application to Glasgow College for the Workforce Development Fund has been submitted with approval expected this week.

6. OUTCOMES

We understand that a number of employees have gained employment with other companies. However we are checking with Gemini regarding outcomes and will follow up employees as soon as is practical in an attempt to obtain as clear a picture as possible.

7. EMPLOYEE NUMBERS

Gemini has advised as follows.

All employees who have left to date have been by resignation, with a small number of voluntary redundancies and redundancies for those who have requested to leave early.


In all cases as far as Gemini is aware, these people have secured alternative employment.

At present there are 74 permanent members of staff and 52 contractors.

Gemini anticipates that on completion of the 320 Refresh Project (end of May), this will reduce to 70 permanent members of staff and around 32 contractors.

At the end of June numbers will reduce to 66 permanent members of staff and remain at around 32 contractors.

On completion of the 156 C6x Project (end of July) the numbers will decrease significantly to around 15 permanent members of staff and no contractors. These numbers are planned numbers and may change slightly as people find alternative employment opportunities or if Gemini experiences delays or issues in delivering their project commitments.


Senior Policy Executive PACE
Scottish Government
30 May 2019