

## Appendix A

**From:** [REDACTED]

**Sent:** 01 September 2021 13:46

**To:** Minister for Transport <MinisterFT@gov.scot>

**Cc:** [REDACTED]

**Subject:** Official Sensitive - Ministerial Briefing - Meeting with Chris Gibb

PS/Minister for Transport

Copy to: as above

Please see attached a briefing in support of Mr Dey's meeting with Chris Gibb tomorrow.

Thanks.

[REDACTED]

[REDACTED]

Attachment: text copied below

### **MINISTERIAL ENGAGEMENT BRIEFING: GRAEME DEY, Minister for Transport**

|   |   |
|---|---|
| <i>Engagement Title</i>                                       | Chris Gibb, Retained Director, Scottish Rail Holdings Ltd (SRH).  |
| <i>Suggested tweet after event</i>                            | N/A   |
| <i>Organisation/Venue and full address including postcode</i> | Microsoft Teams   |
| <i>Date and Time of Engagement</i>                            | Date: Thursday 2 <sup>nd</sup> September 2021<br>Time(s):11:30 to 12:00   |
| <i>Background/Purpose</i>                                     | The operation of ScotRail services will move to Scottish Government control from March 2022. Under the proposed governance arrangements, it is anticipated that SRH will oversee the running of rail services by ScotRail Trains Ltd, with SRH reporting to Transport Scotland.<br><br>This is an introductory meeting. It is anticipated that Chris may be put forward to Ministers by officials as a candidate for the interim Chief Executive of SRH from October this year. |
| <i>Relevance to Core Script</i>                               | High performing, resilient rail services for Scotland's communities and businesses, delivered under Scottish Government control.  |

*Questions/Key Messages*

Explore Chris' experience of the UK rail industry and in particular his role in mobilising Government controlled services elsewhere.

Seek views on how the proposed governance arrangements for SRH and ScotRail Trains Ltd. will deliver for passengers and support recovery.

Seek views on how best to maximise partnership working across the rail sector, in particular **[REDACTED]**

*Official Support*

**[REDACTED]**

*Briefing*

Annex A – Discussion points  
Annex B – Background Brief  
Annex C - Biography

## DISCUSSION POINTS

|                                |  |
|--------------------------------|--|
| Item 1:<br>Key<br>Message:     | <b>Welcome and general opening remarks</b><br>[REDACTED] <b>Section 30(b)(i)</b><br>[REDACTED]<br>[REDACTED] <b>Section 30(b)(i)</b>   |
| Item 2:<br><br>Key<br>Message: | <b>Previous experience of mobilising Government controlled rail services</b><br>[REDACTED] <b>Section 30(b)(i)</b><br>[REDACTED]<br>[REDACTED] <b>Section 30(b)(i)</b><br>[REDACTED]<br>[REDACTED] <b>Section 30(b)(i)</b> |
| Item 3:<br><br>Key<br>Message: | <b>Developing partnerships across Scotland's Railways</b><br>[REDACTED] <b>Section 30(b)(i)</b><br><br>[REDACTED]<br>[REDACTED]<br><b>Section 30(b)(i)</b>   |
| Item 4:<br>Key<br>Message:     | <b>Industrial relations</b><br>[REDACTED] <b>Section 30(b)(i)</b>  |

## Governance of ScotRail services beyond March 2022

### Background

1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **Section 30(b)(i)**

## ANNEX C

[REDACTED]

[REDACTED]

[REDACTED]

**From:** [REDACTED]

**Sent:** 04 November 2021 19:17

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** RE: Appointment of ScotRail Holdings Chief Executive Officer - consent to appoint

Dear [REDACTED]

Thank-you [REDACTED] and I have both reviewed the final contract draft and, as Directors of ScotRail Holdings Ltd, and having regard to the prior approval of the Minister for Transport to the appointment of this candidate for a fixed term with the proposed remuneration, I confirm that we are both content this employment offer should now be made to Chris Gibb.

I will issue to him now accordingly.

Regards,

[REDACTED]

**From**[REDACTED]

**Sent:** 04 November 2021 19:00

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** Appointment of ScotRail Holdings Chief Executive Officer - consent to appoint

[REDACTED]

On the basis of ScotRail Holding's (SRH's) articles of association and section 30 of the Railways Act 1993, Scottish Ministers have the power to approve and authorise the Chief Executive Officer (CEO) appointment and direct SRH to employ the Chief Executive Officer.

Acting on behalf of Scottish Ministers and following up from the formal submission covering appointment of SRH senior posts cleared by the Minister for Transport and the Cabinet Secretary for Finance & Economy last week (attached for reference), please treat this email as approval of the terms of the contract attached and formal authorisation to SRH to employ the CEO on such terms.

Regards,

[REDACTED]  
[REDACTED]

[REDACTED]



Transport Scotland, the national transport agency  
*Còmhdaill Alba, buidheann nàiseanta na còmhdaill*

Attachments –text copied below

1. Minister for Transport

## **APPROVAL OF APPOINTMENT, RECRUITMENT AND REMUNERATION OF THE BOARD OF SCOTTISH RAIL HOLDINGS LTD**

### **Purpose**

This paper seeks approval for the appointment, recruitment and remuneration for a number of new roles which are being created at Board level as part of the establishment of [REDACTED] **Section 30(b)(i)** Scottish Rail Holdings Limited (SRH), in furtherance of preparations for the discharge of the Scottish Ministers' operator of last resort (OLR) duties under section 30 of the Railways Act 1993 (1993 Act).

1. The Remuneration Group has been sighted on the detail and this paper reflects their sign-off letters which are attached in **Annex E** for reference.

### **Priority**

2. Immediate/ Urgent.

[REDACTED] **Section 30(b)(i)** To enable the timely issue of the contract we ask for an expedited response.

### **Background**

3. We are continuing to put in place arrangements for the Scottish Ministers to provide or secure the provision of ScotRail services under section 30 of the 1993 Act

when the current Abellio ScotRail (ASR) franchise expires, expected to be 31 March 2022. As part of these arrangements we are establishing SRH as an arm's length holding company, wholly owned but legally distinct from the Scottish Ministers, to provide oversight and management of the successor operating company, ScotRail Trains Limited (SRT).

[REDACTED] **Section 30(b)(i)** The critical roles that require to be appointed/ recruited initially are the Chair, Chief Executive Officer (CEO), Finance Director (FD) and the Rail Business Director (RBD). The outline structure for SRH is shown in **Annex A**

[REDACTED] **Section 30(b)(i)**

### **Appointment Process**

[REDACTED] **Section 30(b)(i)**

4. Due to the very tight timeframe to set up SRH (seven months), it is necessary for officials to advise Ministers to make the recommended appointments out-with the regulated appointment route. It is proposed the CEO, FD and Chair and are appointed to these roles on a fixed term basis from November 2021 to 30<sup>th</sup> March 2023. This will allow for the Public Appointments process to be followed in 2022 to make the permanent appointments for these roles from 1 April 2023. It is proposed that the RBD and Non Exec Directors are recruited via open recruitment immediately, the RBD for an initial three year term and the Non Exec Directors to 30<sup>th</sup> March 2023.

### **Proposals**

5. The Public Sector Pay Policy will apply to SRH and we expect all appointments to be remunerated. Further detail is in **Annex B**. The roles have been formally evaluated using the defined SG process with the outcome of the job evaluation reflected in the proposed remuneration range.

6. The Remuneration Group's feedback has been reflected in the remuneration levels proposed. It should be noted that these salary levels are for the initial, fixed term appointments only. We have recommended that a range be created for the CEO and FD roles. For the fixed term appointments we would be looking to pay the upper quartile however we expect to be able to pay lower down the pay scale for the permanent appointments. Our intention is that we seek to pay 10% less for the permanent appointments in line with Pay Policy for the replacement of senior roles.

7. There are a limited number of individuals with the skill set and experience required for these roles. For this reason, officials consider the salary needs to be at a level sufficient to attract and retain the right calibre of candidate. This will be particularly important during the initial period of their appointment, when they will be engaged in not only the setting up of SRH (which is an entirely new body) but also the mobilisation of SRT and the transition of ScotRail from private ownership to government ownership. Whilst TS are well versed in arrangements for the change of operator for ScotRail services, OLR is a completely different scenario and we are

seeking the skills of individuals who have had experience in England and Wales of setting up similar arrangements. In addition, it is considered that it will be critical for the CEO and FD to have an understanding of the complexities of the railway, both operationally and in terms of the commercial frameworks, if they are to oversee an effective mobilisation ahead of 1 April 2022 and thereafter a successful transition period for SRT in the first 12 months of operation. It is proposed permanent appointees would take over once this transition period is completed and we have a steady state operation and a fuller understanding of the time commitment involved. [REDACTED] **Section 30(b)(i)** The size and scale of accountability is shown in **Annex D**.

8. [REDACTED] **Section 30(b)(i)** Ministers are being invited to approve the immediate appointment of Chris Gibb, for the CEO role and [REDACTED] for the FD role. This will give us continuity and the level of specialist rail expertise needed particularly in the set-up of SRH, the mobilisation of SRT and the transition of ScotRail into government ownership. It would be exceptionally challenging to find persons with similar skills in the timescales that we face for mobilising SRH and SRT ahead of the commencement of OLR operations on 1<sup>st</sup> April 2022. Both Chris and [REDACTED] also have the added value of being involved in the set-up of the Department of Transport Holding company responsible for the oversight of OLR arrangements in England.

9. When setting the proposed base salary levels external and internal benchmarking was carried out. In addition, the balance between attracting quality, skilled candidates was considered against ensuring that the salary levels would not attract adverse external scrutiny. The salaries of the Directors of the SRH Board will be in the public domain in accordance with SG [REDACTED] **Section 30(b)(ii)** There are however comparably high salaries in other public bodies, such as Scottish Water, Scottish National Investment Bank and Scottish Enterprise.

We recognise it is critical that there is a transparent process for the performance management of those fulfilling highly paid roles. The role holders will be set personal objectives with KPI's on an annual basis to which they will be held to account to deliver. These will be based on the requirements set out in the agreements underpinning the OLR arrangements, including the Grant Agreement between the Scottish Ministers, SRH and SRT (which will specify the services to be provided by SRT) and the Framework Agreement between SRH and the Scottish Ministers which will clearly outline the role and responsibilities of SRH and its directors. All SG HR policies will apply in SRH, albeit amended to reflect [REDACTED], **Section 30(b)(i)** including the In Year and End Year review process, along with any performance

10. The tables in **Annex B** summarises the proposed role summary, base salary and the initial terms of appointment of the SRH directors. The proposals are in line with the Public Sector Pay Policy 2021/22 and also reflects a competitive salary which will attract the right calibre of individual in Scotland. The role profiles for Chair, CEO, Finance Director and Rail Business Director are in **Annex C**.

## **Pensions**

11. It is expected that SRH staff will join (be auto-enrolled) into the public sector pension scheme. Staff may opt out of the pension scheme provided by SRH but the employers' contribution to any personal pension arrangement, including stakeholder pension, we expect to be limited to the national insurance rebate level.

### **Affordability**

**[REDACTED] Section 30(b)(i)**

12. The cost forecast that has been prepared is based on a timeline from the commencement of mobilisation of SRH in shadow form (October 2021), through to the end of the first full year of overseeing the operations of SRT, 31 March 2023.

Within the forecast Director costs, three key salary packages being proposed are:

|                           |            |
|---------------------------|------------|
| CEO Proposed Remuneration | [REDACTED] |
| FD Proposed Remuneration  | [REDACTED] |
| RBD Proposed Remuneration | [REDACTED] |

**[REDACTED]**

**[REDACTED] Section 30(b)(i)**

**[REDACTED] Section 30(b)(i)**

Since the Scottish Ministers' decision that ScotRail services will be provided through OLR on expiry of the current franchise, significant work has been, and continues to be, undertaken by the TS OLR team, along with input from TS, SG legal, retained SRH directors and TS advisors to articulate the roles and activities that SRH may be expected to undertake. This has resulted in the extensive transfer of functions for passenger rail services performance and responsibility oversight from TS to SRH, which would place an additional burden on the SRH executive board – ultimately improving value for Scottish Government, allowing these roles to be undertaken by individuals with extensive experience in this area, and allowing TS resource to be better spent focused on strategy and policy, rather than the day to day practicalities of passenger rail services delivery. As part of SRH's oversight of SRT, there will be an objective to achieve efficiencies in both operations and cost in the delivery of monitoring the performance of passenger rail services, in order to deliver an efficient railway for Scotland.

13. The proposed salaries for the Chief Executive and the Finance Director have been benchmarked against the equivalent Managing and Finance Director roles for a number of the Train Operating Companies operating in the UK franchise market.

### **Summary (period 1 October 2021 – 31 March 2023):**

| Description | Value £000 | Commentary |
|-------------|------------|------------|
|-------------|------------|------------|

|                     |                                |                             |
|---------------------|--------------------------------|-----------------------------|
| SRH Operating Costs | [REDACTED]<br>Section 33(1)(b) | [REDACTED] Section 30(b)(i) |
| Management Fee      | [REDACTED]<br>Section 33(1)(b) | [REDACTED] Section 30(b)(i) |
| Net Cost            | [REDACTED]<br>Section 33(1)(b) |                             |

[REDACTED] Section 30(b)(i)

14. While the proposed salary packages for the CEO and Finance Director, in the context of total operating costs for SRH, do represent an additional cost for Scottish Government, officials consider it is a cost that cannot be avoided. Furthermore, the decisions taken regarding the governance and operation of SRH in life represents a significant value for money proposition for Scottish Government, when considered against a 'typical' OLR arrangement, which would be expected to incur an equivalent cost without the same expected level of service delivery.

### Recommendation

15. Ministers are being invited to approve the appointment, recruitment and remuneration of the SRH Board members. The immediate appointment of Chris Gibb, for the CEO role and [REDACTED] for the FD role. The immediate appointment of the Chair and recruitment of the Rail Business Director and Non Exec Directors.

[REDACTED]  
Rail Directorate,  
Transport Scotland  
Mob[REDACTED]

28<sup>th</sup> October 2021

| Copy List:   | For Action | For Comments | For Information    |                  |                   |
|--|------------|--------------|--------------------|------------------|-------------------|
|  |            |              | Portfolio Interest | Constit Interest | General Awareness |
| Cabinet Secretary for Net Zero, Energy and Transport |            |              | X                  |                  |                   |
| Cabinet Secretary for Finance and the Economy        |            | X            |                    |                  |                   |

TS Ministerial Submissions List  
[REDACTED]  
Finance Pay Policy

2.

E: [REDACTED]



[REDACTED]

By email to Mr Chris Gibb [REDACTED]

4<sup>th</sup> November 2021

Dear Mr Gibb,

**OFFER OF FIXED TERM APPOINTMENT  
CHIEF EXECUTIVE OFFICER- SCOTTISH RAIL HOLDINGS LTD**

[REDACTED]

[REDACTED]  
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[REDACTED]

**From:** [REDACTED]

**Sent:** 16 November 2021 16:58

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** Official Sensitive - Ministerial Submission - ScotRail 22 - Update on SRH and Comms - November 2021

PO Minister for Transport,

Please see attached briefing in advance of the meeting with officials on Thursday 18<sup>th</sup> Nov in respect of providing an update on progress with mobilisation of Scottish Rail Holdings (SRH) and ScotRail Trains Ltd and discussion on provision of future updates to Parliament and the approach to public facing communication.

Kind regards

[REDACTED]

Attachment text copied below

Minister for Transport

## **MOBILISATION OF SCOTRAIL – APRIL 2022 – UPDATE**

### **Purpose**

1. The purpose of this note is to provide an update on progress with the mobilisation of Operator of Last Resort arrangements for ScotRail for April 22.

### **Priority**

2. Routine

### **Background**

3. The focus of mobilisation over last few months has primarily been on establishing Scottish Rail Holdings Ltd. (SRH), which will oversee ScotRail Trains Ltd. (SRT) in the delivery of the services.

4. Good progress has been made, which includes:

[REDACTED] **Section 30(b)(i)**

- The formal appointment of the Chief Executive (Chris Gibb), due to take effect on the 15<sup>th</sup> November 21.

[REDACTED]

[REDACTED]

5. [REDACTED]

**Section 30(b)(i)**

#### Next immediate steps

6. [REDACTED]

**Section 30(b)(i)**

#### Update to Parliament and wider communications

7. [REDACTED]

[REDACTED] **Section 30(b)(i)**

[REDACTED] **Section 30(b)(i)** we can announce the appointment of Chris Gibb on a fixed term basis as the Chief Executive of Scottish Rail Holdings Ltd and, if an offer of employment is issued and accepted in advance of the update [REDACTED] as Finance Director. Both bring enormous railway experience and we will be delighted to have them on board.

[REDACTED] **Section 30(b)(i)**

8. [REDACTED] **Section 30(b)(i)**

#### Recommendation

9. It is recommended that you:  
[REDACTED] **Section 30(b)(i)**

[REDACTED]

16 November 2021

| Copy List: | For Action | For Comments | For Information    |                  |                   |
|------------|------------|--------------|--------------------|------------------|-------------------|
|            |            |              | Portfolio Interest | Constit Interest | General Awareness |
|            |            |              |                    |                  |                   |

Minister for Transport  
[REDACTED]

**From:** [REDACTED]  
**Sent:** 08 December 2021 10:06  
**To:** Minister for Transport <MinisterFT@gov.scot>  
**Cc:** [REDACTED]  
**Subject:** Mobilisation of ScotRail Holdings and ScotRail Trains Ltd - Update - Draft letter to Net Zero, Energy and Transport Committee

Good afternoon PO,

Please find attached draft letter containing an update on the mobilisation of Scottish Rail Holdings and ScotRail Trains Ltd, for your consideration, prior to issue to the Net Zero, Energy and Transport Committee (NZET). This draft has been cleared by [REDACTED] and [REDACTED]

[REDACTED] **Section 30(b)(i)**

[REDACTED]  
[REDACTED]

[REDACTED]

Please note that a press release in relation to the appointment of both Chris Gibb and [REDACTED] is currently with [REDACTED] and [REDACTED] for review.

Kindest regards

[REDACTED]

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

**[REDACTED]**

Attachment text copied below

Minister for Transport  
Graeme Dey MSP



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

**[REDACTED]**

The Scottish Parliament  
Edinburgh  
EH99 1SP

Dean.Lockhart.msp@parliament.scot

**Our ref:**

XX December 2021

Dear XXXXXX,

### **Update on bringing ScotRail Services within the public sector under Scottish Government control**

I am writing to update the Committee on progress with the mobilisation of arrangements for the delivery of ScotRail services from 1 April 2022 after the end of the current Abellio ScotRail franchise contract.

In a Statement to Parliament on 17 March 2021 Ministers confirmed that ScotRail services would be provided by an arm's length company owned and controlled by the Scottish Ministers when the current Abellio ScotRail contract terminates, in furtherance of their duties under section 30 of the Railways Act 1993 (known as "Operator of Last Resort" (OLR)). Detailed analysis and an options appraisal, including consideration of best practice from the public and private sectors and experience of OLR deployments in England and Wales, has been undertaken to determine the governance arrangements that best suit Scottish needs and interests.

For many years, the Scottish Ministers have maintained three shelf companies – a holding company and two train operating companies – for use as potential vehicles to facilitate the deployment of OLR arrangements should these be required for either of the Scottish franchises. The Scottish Ministers are now activating two of these shelf companies, namely ScotRail Trains Ltd, which will be responsible for operating the day to day ScotRail services, and Scottish Rail Holdings Ltd, which will provide

oversight and management of ScotRail Trains Ltd. Scottish Rail Holdings Ltd is a wholly owned company of the Scottish Ministers and ScotRail Trains Ltd is a wholly owned subsidiary of Scottish Rail Holdings Ltd.

This will provide for a robust and sustainable governance model compatible with current UK rail legislation, which we have no powers to change. The arrangements strike the appropriate balance between operation and oversight, enabling delivery of Scotland's railway to be undertaken by a company employing the right mix of skills, knowledge and experience on the one hand, while ensuring there is proper overall accountability to the Scottish Ministers on the other. Both companies will be expected to form and maintain strong partnerships with Network Rail, other rail operators in other parts of the UK and of course, other parts of the Scottish rail industry; it is planned currently for the ScotRail Alliance agreement to continue between ScotRail Trains Ltd and Network Rail.

The responsibilities of Scottish Rail Holdings Ltd will increase gradually during the mobilisation of these arrangements, as part of a planned smooth transition for passengers and staff from Abellio ScotRail Ltd to ScotRail Trains Ltd on 1st April 2022. Arrangements are underway to appoint Directors for this new company and it is planned for this to include employee and passenger representation.

To assist in making this transition work, I can announce the appointment of Chris Gibb on a fixed term basis as the Chief Executive Officer of Scottish Rail Holdings Ltd. It is expected that the appointment of a Finance Director for Scottish Rail Holdings Ltd (also on a fixed term basis) may also be made shortly. Chris Gibb brings enormous railway experience both from Train Operating Companies and Network Rail, and I am delighted to have him on board.

One of the key considerations of that transition is to arrange for the formal transfer of ScotRail staff to ScotRail Trains Ltd. This process will be carried out over the coming months, and will include appropriate consultation with staff representatives and internal communication throughout with staff more generally. We want all of our staff to join us in this new venture – they are critical to its success in the short and long term, so we will be encouraging everyone to make that transfer. Full details and support will be provided to all staff in the coming months with opportunities for them to engage with the process through internal communications channels.

Clearly in the short term, our focus and priority is on making a smooth transition to the new arrangements but I see that as the start, not the finish of our journey. We want a publicly owned Scotrail to embody all the values of this government, not least in relation to fair work. The composition and approach of the business will grow over time so that it is contributing and is seen to contribute to the Scottish Government's broader economic, social and environmental ambitions.

I will of course keep Parliament updated as we progress these arrangements and we reach significant milestones.

**«Signature»**

**From:** [REDACTED]  
**Sent:** 09 December 2021 08:13  
**To:** Minister for Transport <MinisterFT@gov.scot>  
**Cc:** [REDACTED]  
**Subject:** RE: SRH appointments - PR for clearance

Hi [REDACTED]

See attached draft PR re the Scottish Rail Holdings appointments.

Grateful for Mr Dey's clearance.

Already cleared by [REDACTED] and [REDACTED]

We would like to issue today embargoed for tomorrow once we receive [REDACTED]

Thanks  
[REDACTED]

[REDACTED]

Attachment text copied below

**December 2021**

## **Progress made towards mobilisation of ScotRail Trains Limited**

### **Senior management appointed to Scottish Rail Holdings**

Transport Minister Graeme Dey has today announced the appointment of a Chief Executive Officer and Finance Director to Scottish Rail Holdings.

The holding company, which is being set up to oversee the delivery of high performing services by ScotRail Trains Limited on behalf of Ministers, when the current Abellio ScotRail contract ends, is on track to get underway early next year.

Chris Gibb and David Lowrie have been appointed on a fixed term basis and work also continues to explore the process for recruiting non-executive posts within Scottish Rail Holdings.

Transport Minister Graeme Dey said:

"I'm pleased to announce that two senior management roles have been appointed to Scottish Rail Holdings, they both bring with them a wealth of knowledge in the rail industry.

“We are on track to delivering SRH in the new year which will provide ScotRail services within the public sector under Scottish Government control and facilitate the smoothest transition possible for rail passengers and staff on 1<sup>st</sup> April 2022.

“The Scottish Government is of the view that this is most robust and sustainable model available under current UK rail legislation, which we have no powers to change.

“It strikes a balance between the ability of experienced rail professionals to make operational decisions and overall accountability to the Scottish Government. We would also expect to see strong partnerships with Network Rail and other parts of the industry as a key feature of the new arrangements.

“We expect that the formal transfer of ScotRail staff to the new arrangements will commence over the coming months and full details and support will be provided to all of those affected in good time.”

**ENDS**

**From:** [REDACTED]

**Sent:** 10 December 2021 18:33

**To:** [REDACTED]

**Subject:** RE: Times - Progress made towards mobilisation of ScotRail Trains Limited

Copying Mr Dey for info – this one is a factual response which I’ll issue within the next half hour

**From:** [REDACTED]

**Sent:** 10 December 2021 17:50

**To:** [REDACTED]

**Subject:** RE: Times - Progress made towards mobilisation of ScotRail Trains Limited

Content.

[REDACTED]

[REDACTED]

Transport Scotland

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**From:** [REDACTED]

**Sent:** 10 Dec 2021 17:37

**To:** [REDACTED]

**Subject:** RE: Times - Progress made towards mobilisation of ScotRail Trains Limited

Adding [REDACTED] so they are sighted soonest as I don’t expect [REDACTED] to make any significant changes [REDACTED] **Section 30(b)(i)**

**From:** [REDACTED]  
**Sent:** 10 December 2021 16:55  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** Times - Progress made towards mobilisation of ScotRail Trains Limited

Hi [REDACTED]

We received the query from [REDACTED] re SRH appointments.

Suggested lines below for clearance.

[REDACTED] **Section 30(b)(i)**

Thanks  
[REDACTED]

A TS spokesperson said:

“Information relating to salaries will be published on an annual basis in line with the annual financial accounts.

“Scottish Railway Holdings will oversee ScotRail Trains Ltd to ensure performance and delivery meets expectations. This newly formed rail operator company will provide ScotRail services under Scottish Government control when the current franchise expires on 31 March 2022.

“Chris Gibb will act as accountable officer and will provide oversight and strategic direction for SRH and David Lowrie will manage all aspects of the finances for SRH and SRT.”

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**From:** [REDACTED]  
**Sent:** 10 December 2021 10:07  
**To:** [REDACTED]  
**Subject:** Re: Progress made towards mobilisation of ScotRail Trains Limited

Hi [REDACTED], are you saying how much either of them will be paid for the new roles?

It is correct neither of these guys will be in charge of the operational running of Scotrail Trains (ie that business will have its own management team)?

Thanks  
[REDACTED]

On Fri, 10 Dec 2021 at 10:01, [REDACTED] wrote:

Transport Scotland News

## Progress made towards mobilisation of ScotRail Trains Limited

### **Senior management appointed to Scottish Rail Holdings**

Transport Minister Graeme Dey has today announced the appointment of a Chief Executive Officer and Finance Director to Scottish Rail Holdings.

The holding company, which is being set up to oversee the delivery of high performing services by ScotRail Trains Limited on behalf of Ministers, when the current Abellio ScotRail contract ends, is on track to get underway early next year.

Chief Executive Officer Chris Gibb and Finance Director David Lowrie have been appointed on a fixed term basis and work also continues to explore the process for recruiting non-executive posts within Scottish Rail Holdings.

Transport Minister Graeme Dey said:

“I’m pleased to announce that two senior management roles have been appointed to Scottish Rail Holdings, they both bring with them a wealth of knowledge in the rail industry.

“We are on track to delivering SRH in the new year which will provide ScotRail services within the public sector under Scottish Government control and facilitate the smoothest transition possible for rail passengers and staff on 1<sup>st</sup> April 2022.

“The Scottish Government is of the view that this is most robust and sustainable model available under current UK rail legislation, which we have no powers to change.

“It strikes a balance between the ability of experienced rail professionals to make operational decisions and overall accountability to the Scottish Government. We would also expect to see strong partnerships with Network Rail and other parts of the industry as a key feature of the new arrangements.

“We expect that the formal transfer of ScotRail staff to the new arrangements will commence over the coming months and full details and support will be provided to all of those affected in good time.”

## Contact Information

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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**From:** [REDACTED] On Behalf Of Minister for Transport  
**Sent:** 15 December 2021 20:06

**To:** [REDACTED]

**Cc:**[REDACTED] **Subject:** RE: ScotRail Mobilisation - Enquiry from Finance and Public Admin Committee - Draft Reponse for clearance

[REDACTED]

Mr Dey is content for his interests.

Thanks

[REDACTED]

[REDACTED]

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**From:** [REDACTED] **On Behalf Of** Cabinet

Secretary for Finance and Economy

**Sent:** 14 December 2021 20:36

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** RE: ScotRail Mobilisation - Enquiry from Finance and Public Admin Committee - Draft Reponse for clearance

Hi [REDACTED]

Ms Forbes has noted and is content for her interests.

Thanks,

[REDACTED]

[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.

Scottish Ministers, Special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

**From:** [REDACTED]

**Sent:** 14 December 2021 17:11

**To:** Minister for Transport <[MinisterFT@gov.scot](mailto:MinisterFT@gov.scot)>; Cabinet Secretary for Finance

and Economy <[CabSecFE@gov.scot](mailto:CabSecFE@gov.scot)>

**Cc:** [REDACTED]

**Subject:** ScotRail Mobilisation - Enquiry from Finance and Public Admin Committee  
- Draft Reponse for clearance

Good Evening POs,

We have received a request from the clerk of the Finance & Public Admin Committee relating to ScotRail mobilisation. The committee is interested in considering the financial implications of the change of ownership but is conscious that it won't have the opportunity to scrutinise a Financial Memorandum as the change is not expected to be made via primary legislation.

The specific request is for a high-level overview of how the change will be made along with a note of financial information expected to be made available and provisional timescales.

The proposed response, which aligns with information already made available to the NZET Committee and via PRelease is below.

[REDACTED] has confirmed that she is content and asked that I send to both Mr Dey and Ms Forbes for consideration.

We would propose, once cleared, copying to NZET.

Draft response:

As you are aware in a Statement to Parliament on 17 March 2021 the Scottish Ministers confirmed that ScotRail services would be provided by an arm's length company owned and controlled by the Scottish Ministers when the current Abellio ScotRail contract terminates, in furtherance of their duties under section 30 of the Railways Act 1993 (known as "Operator of Last Resort" (OLR)). Detailed analysis and an options appraisal, including consideration of best practice from the public and private sectors and experience of OLR deployments in England and Wales, has been undertaken to determine the governance arrangements that best suit Scottish needs and interests.

For many years, the Scottish Ministers have maintained three shelf companies – a holding company and two train operating companies – for use as potential vehicles to facilitate the deployment of OLR arrangements should these be required for either of the Scottish franchises. The Scottish Ministers are now activating two of these shelf companies, namely ScotRail Trains Ltd, which will be responsible for operating the day to day ScotRail services, and Scottish Rail Holdings, which will provide oversight and management of ScotRail Trains Ltd. Scottish Rail Holdings is a wholly owned company of the Scottish Ministers and ScotRail Trains Ltd is a wholly owned subsidiary of Scottish Rail Holdings.

ScotRail staff and their terms and conditions, will transfer to the new Scottish Government owned entity, ScotRail Trains Ltd.

On 8 December 2021, the Minister for Transport wrote to the Convener of the Net Zero, Energy and Transport Committee to advise of the appointment of the Chief Executive Officer, on a fixed term basis of Scottish Rail Holdings and of the imminent appointment of a Financial Director. On 10 December, the appointment of both posts, were announced publicly.

Mr Dey has made a commitment to keep the NZET committee and Parliament updated as the arrangements for Scottish Rail Holdings and ScotRail Trains Ltd progress, and the transition reaches significant milestones. We will revert back to you in due course in relation to proposed timescales and in particular in relation to financial information which we expect to be made available as part of those updates.

Kindest regards

**[REDACTED]**

**[REDACTED]**  
**[REDACTED]**

## **Appendix B**

### **Section 30(b)(i)**

An exemption under section 30(b)(i) of FOISA (free and frank provision of advice) applies to some of the information requested. This exemption applies because disclosure would, or would be likely to, inhibit substantially the free and frank exchange of advice. This exemption recognises the need for officials to have a private space within which to provide free and frank advice to Ministers.

Disclosing the content of free and frank exchange of advice regarding the move to would inhibit the exchange of advice in future between officials and Ministers in relation to areas of future policy making. This exemption is subject to the 'public interest test'.

Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exemption. We have found that, on balance, the public interest lies in favour of upholding the exemption. We recognise there is a public interest in disclosing information as part of open, transparent and accountable government, and to inform public debate. However, there is a greater public interest in allowing a private space within which officials can exchange full and frank views, as part of the process of exploring and refining the Government's decision making process. This private thinking space is essential to enable all options to be properly considered, based on the best available advice, so that good policy decisions can be taken. Disclosure is likely to undermine the full and frank discussion of issues between Ministers and officials, which in turn will undermine the quality of the decision making process, which would not be in the public interest.

### **Section 33(1)(b)**

An exemption under section 33(1)(b) of FOISA (substantial prejudice to confidentiality of commercial information) applies to some of the information you have requested.

This exemption applies because disclosure of this particular information would, or would be likely to, prejudice substantially the finalisation of Scottish Rail Holdings business case.

Disclosing this information would be likely to result in data being presented that is still subject to change as it is currently going through internal checks and finalisation. This exemption is subject to the 'public interest test'. Therefore, taking account of all the circumstances of this case, we have considered if the public interest in disclosing the information outweighs the public interest in applying the exemption. We have found that, on balance, the public interest lies in favour of upholding the exemption. We recognise that there is a public interest in disclosing information as part of open and transparent government, and to help account for the expenditure of public money. However, there is a greater public interest in protecting the commercial interests of the development of the Scottish Rail Holdings business case.