

Meeting 8 February 2022

From: [REDACTED]

Sent: 07 February 2022 09:33

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

Cc: Transport Scotland Ministerial Submissions List <[REDACTED]>

Subject: Rail - Introductory Meeting - Ian McConnell and Chris Gibb - 8 February 2022

Hi [REDACTED]

As discussed last Friday, please find attached the Minister's briefing ahead of her meeting with Mr McConnell and Mr Gibb tomorrow, 8 February.

Kind regards

[REDACTED]

MINISTERIAL ENGAGEMENT BRIEFING: JENNY GILRUTH, Minister for Transport

<i>Engagement Title</i>	Introductory Meeting – Ian McConnell, Chief Operating Officer, ScotRail Alliance and Chris Gibb, CEO, 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: Tuesday 8 February 2022 Time(s):1600 – 1630 hours
<i>Background/Purpose</i>	<p>The operation of ScotRail services will move to Scottish Government control from March 2022. Under the proposed governance arrangements, Scottish Rail Holdings Ltd (SRH) will oversee the running of rail services by ScotRail Trains Ltd, with SRH reporting to Transport Scotland.</p> <p>This is an introductory meeting with the outgoing COO of the ScotRail Alliance and the new CEO for Scottish Rail Holdings Ltd.</p>
<i>Relevance to Core Script</i>	High performing, resilient rail services for Scotland's communities and businesses, delivered under Scottish Government control.
<i>Questions/Key Messages</i>	<p>Explore Chris' experience of the UK rail industry and in particular his role in mobilising Government controlled services elsewhere.</p> <p>Seek views on how the transition is progressing.</p> <p>Seek views on how best to maximise partnership working across the rail sector, in particular [REDACTED].</p>

Official Support

Bill Reeve, Rail Director, Transport Scotland,
[REDACTED]

Briefing

Annex A – Discussion points
Annex B – Mobilisation – Update and Key Risks
Annex C – Current Performance Levels
Annex D - Biographies

DISCUSSION POINTS

Item 1: Key Message:	Welcome and general opening remarks <ul style="list-style-type: none"> • [REDACTED s30 (b)(i)]. •
Item 2: Key Message:	Previous experience of mobilising Government controlled rail services <ul style="list-style-type: none"> • Chris has direct experience of mobilising Government controlled rail services (Operator of Last Resort) for the Department for Transport and Transport for Wales, which has given him experience of different delivery models. • [REDACTED s30 (b)(i)].
Item 3: Key Message:	Mobilisation progress <p>Key questions to explore:-</p> <ul style="list-style-type: none"> • [REDACTED s30 (b)(i)].
Item 4: Key Message:	Industrial relations <p>[REDACTED s30 (b)(i)].</p>

Mobilisation – Update and Key Risks

Background

In a statement to Parliament on 17 March 2021 the then Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson MSP, announced that ScotRail services would be provided by the Operator of Last Resort (OLR), in furtherance of the Scottish Ministers' duties under section 30 of the Railways Act 1993 (the 1993 Act) when the current franchise agreement with Abellio ScotRail Ltd (ASR) terminates on 31 March 2022.

OLR arrangements will be facilitated through a holding company structure. Transport Scotland is activating two arm's length companies: ScotRail Trains Ltd (SRT) which will be responsible for operating ScotRail services, and Scottish Rail Holdings Ltd (SRH), which will provide oversight and management of SRT. SRH is wholly owned by the Scottish Ministers, and SRT is a wholly owned subsidiary of SRH. Transport Scotland has implemented a mobilisation programme to ensure the smooth transition from ASR to SRT on 1 April 2022.

Current Position

The focus of mobilisation over last few months has been on establishing SRH and SRT and work to date is outlined below. In addition, work continues apace to ensure that we deliver the best mobilisation of SRH by 1 April 2022 and this remains the key focus and priority for the mobilisation team over the coming weeks.

In respect of SRT, good progress is being made, which includes:

- Agreement on a detailed joint mobilisation programme including allocation of responsibility for tasks.
- Workshopping (among TS, SRH, [REDACTED] and [REDACTED]) and publishing the Policy Compendium.
- Development of annual budget (2022/23) and business plan on behalf of SRT by Abellio ScotRail and SRH.
- **[REDACTED s33 (1)(b)]**
- Regular joint mobilisation meetings.
- **[REDACTED]** operator certificate application has been made on behalf of SRT.
- Work progressing on grant services agreement between the Scottish Ministers, SRH and SRT (which will set out the terms for provision of ScotRail services by SRT and replace the current franchise agreement).
- **[REDACTED s33 (1)(b)]**

- Appointment of a new Chief Operating Officer for ScotRail Trains Ltd.

[REDACTED] staff and their terms and conditions, will transfer to SRT on 1 April 2022. This process includes appropriate consultation with staff representatives and timely internal communication with **[REDACTED]** staff more generally.

A series of meetings have already been held with the Trade Unions on 13th, 20th, 25th, 27th January and 3rd February 2022.

During the recent consultation meetings with Trade Unions regarding the TUPE transfer of staff to SRT, Trade Union representatives **[REDACTED S30 (b)(i)]**

[REDACTED S30 (b)(ii)]

You are due to meet Trade Union representatives on 10 February.

In respect of SRH, good progress is also being made, which includes:

- Near completion of some of the key SRH governance documents, such as the Framework Agreement and Financial Memorandum.
- The fixed term appointments of the SRH Chief Executive Officer (Chris Gibb) and of the SRH Finance Director (David Lowrie) in November and December 2021.
- Commencement of the process for populating the remaining Board appointments, including the Chair and Non-Executive Directors.
- **[REDACTED]** commenced as SRH interim Rail Business Director, in an advisory capacity, with effect from early January 2022.
- Alongside the progress detailed above, as we reach this critical last stage, mobilisation of necessary staffing within SRH remains the key area of focus.
[REDACTED s33 (1)(b)]

The importance of the critical HR processes is appreciated by senior SG HR colleagues, and support is being provided accordingly.

ANNEX C

[OUT OF SCOPE]

ANNEX D



- Ian McConnell was ScotRail's Programmes and Transformation director between 2015 and 2018. During his earlier time at ScotRail, he was proud to be involved in the introduction of Class 385 electric trains and the upgraded Inter7City high-speed trains, both of which have transformed the railway in Scotland.
- Since leaving ScotRail he has remained a part of the **[REDACTED]** family in his role as Franchise and Programmes Director at **[REDACTED]** He has then worked more recently as the COO for the ScotRail Alliance.



Chris Gibb is a highly experienced and well-respected rail industry leader. His career began as a Clerical Officer with **[REDACTED]**, from where he quickly specialised in operational management, progressing to senior roles and spending 14-years as a TOC Managing Director and Chief Operating Officer. During this time, Chris led the **[REDACTED]** franchises. In these roles, Chris consistently held main board responsibility, leading organisations with a national reach. Since moving into consultancy work, Chris has focussed on providing strategic advice and assurance to government, both national and devolved, train operators and aspiring train operators. Chris has an intimate knowledge of the UK rail industry and the ability to resolve complex issues through a direct and insightful approach.

Chris has been an adviser to the Welsh Government and Transport for Wales since 2015**[REDACTED]**. He has also served as a Non-Executive Director of **[REDACTED]**

Meeting 24 March 2022

From: [REDACTED]

Sent: 22 March 2022 11:56

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

Cc: Transport Scotland Ministerial Submissions List [REDACTED]

Subject: Minister for Transport- Introductory Meeting with Chris Gibb - 24 March 2022

Good Morning [REDACTED],

Please find attached a briefing for the Minister in advance of her meeting with Chris Gibb on Thursday 24 March.

Kindest Regards

[REDACTED]

MINISTERIAL ENGAGEMENT BRIEFING: JENNY GILRUTH, Minister for Transport

<i>Engagement Title</i>	Introductory Meeting – Chris Gibb, CEO, 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 24 March 2022 Time(s):1730 – 1800 hours
<i>Background/Purpose</i>	<p>The operation of ScotRail services will move to Scottish Government control from 1 April 2022. Under the proposed governance arrangements, Scottish Rail Holdings Ltd (SRH) will oversee the running of rail services by ScotRail Trains Ltd, with SRH reporting to Transport Scotland.</p> <p>This is an introductory meeting with new CEO for Scottish Rail Holdings Ltd.</p>
<i>Relevance to Core Script</i>	High performing, resilient rail services for Scotland's communities and businesses, delivered under Scottish Government control.
<i>Questions/Key Messages</i>	<p>Explore Chris' experience of the UK rail industry and in particular his role in mobilising Government controlled services elsewhere.</p> <p>Seek views on how the transition is progressing.</p>

Official Support

Briefing

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

Bill Reeve, Rail Director, Transport Scotland, **[REDACTED]**

Annex A - Discussion points

Annex B - Mobilisation – Update and Key Risks

Annex C - Current Performance Levels

Annex D - Biography

DISCUSSION POINTS

Item 1: Key Message:	Welcome and general opening remarks <ul style="list-style-type: none"> You will be aware that Chris [REDACTED] You may wish to welcome Chris to his role as CEO SRH, and ask him about his career in the railway to date and how his experience can be of value in the successful delivery of new arrangements for ScotRail from April 2022.
Item 2: Key Message:	Previous experience of mobilising Government controlled rail services <ul style="list-style-type: none"> Chris has direct experience of mobilising Government controlled rail services (Operator of Last Resort) for the Department for Transport and Transport for Wales, which has given him experience of different delivery models. You may wish to ask Chris to reflect on his experiences of previous mobilisations and how he can bring this to bear on the new arrangements in Scotland.
Item 3: Key Message:	Mobilisation progress <p>Key questions to explore:-</p> <ul style="list-style-type: none"> How confident are you of a successful transition on 1 April? Are there any outstanding key mobilisation issues? In terms of staffing SRH, I understand that a contingency plan is in place with a mix of COSoP transfers, secondees and advisers to provide core capability, however not all posts will be filled – how do you see that working and do you have any concerns ? Are you working constructively together (TS, SRH and [REDACTED])? I understand that there are still some items retained in [REDACTED] – shared services centre – talk me through how this will work? I am keen to see staff and passenger representation on the Scottish Rail Holdings Board – can you confirm the status of this?
Item 4: Key Message:	Industrial relations <ul style="list-style-type: none"> Given Chris' experience, you may wish to ask him to reflect upon industrial relations issues in the rail industry and how this can be improved in future. You may wish to share your reflections following your recent meetings with Trade Unions. You may want to ask Chris to reflect upon his recent meetings with the Rail Unions in terms of the transfer from ScotRail to ScotRail Trains Ltd.

Mobilisation – Update and Key Risks

Background

In a statement to Parliament on 17 March 2021 the then Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson MSP, announced that ScotRail services would be provided by the Operator of Last Resort (OLR), in furtherance of the Scottish Ministers' duties under section 30 of the Railways Act 1993 (the 1993 Act) when the current franchise agreement with Abellio ScotRail Ltd (ASR) terminates on 31 March 2022.

OLR arrangements will be facilitated through a holding company structure. Transport Scotland is activating two arm's length companies: ScotRail Trains Ltd (SRT) which will be responsible for operating ScotRail services, and Scottish Rail Holdings Ltd (SRH), which will provide oversight and management of SRT.

SRH is wholly owned by the Scottish Ministers, and SRT is a wholly owned subsidiary of SRH. Transport Scotland has implemented a mobilisation programme to ensure the smooth transition from ASR to SRT on 1 April 2022.

Current Position

The focus of mobilisation over last few months has been on establishing SRH and SRT and work to date is outlined below. Over the coming days, the transition team will be focussed on finalising governance and other arrangements for the transition to OLR, which include matters such as the transfer of certain contracts, securing lease agreements for rolling stock and making sure that the right staff are in place.

SRT

In respect of SRT, good progress has been made, which includes:

- Agreement on a detailed joint mobilisation programme including allocation of responsibility for tasks.
- Workshopping (among Transport Scotland (TS), ASR, **[REDACTED]** and SRH) and publishing the Policy Compendium.
- Development of annual budget (2022/23) and business plan on behalf of SRT by ASR and SRH.
- Contractual arrangements are being put in place for circa 250 contracts to transfer from ASR to SRT on 1 April 2022.
- Regular joint mobilisation meetings.
- Office of Rail and Road (ORR) operator certificate application has been made on behalf of SRT.
- Near completion of a grant services agreement between the Scottish Ministers, SRH and SRT (which will set out the terms for provision of ScotRail services by SRT and replace the current franchise agreement).
- Putting in place shared service centre support for SRT for payroll, invoicing and customer services.
- Extension of existing ASR Rolling Stock lease agreements for SRT.

SRT Staffing

Arrangements for the formal transfer of ScotRail staff from ASR to SRT Ltd on 1 April are nearing completion. Engagement with staff and Trade Unions began in early January. Staff will transfer to SRT with their current terms and conditions, and we have also committed to the application of the public sector pay policy to staff of SRT from 1 April 2022 - with the caveat that any deals which have already been agreed for 2022/23 will be honoured.

During the early consultation meetings with Trade Unions regarding the TUPE transfer of staff to SRT, Trade Union representatives fervently objected to the intention to implement the Public Sector Pay Policy (PSPP).

[REDACTED S.30 (b)(ii)]

You have since met with Trade Unions both collectively and individually over recent weeks and the feedback for the TUs has been extremely positive.

SRH

Good progress has also been made in respect of SRH, which includes:

- Framework Agreement and Financial Memorandum are completed and have been executed.
- The fixed term appointments of the SRH Chief Executive Officer (Chris Gibb) and of the SRH Finance Director (David Lowrie) in November and December 2021.
- Commencement of the process for populating the remaining Board appointments, including the Chair and Non-Executive Directors.
- **[REDACTED]**, in an advisory capacity, with effect from early January 2022.
- Engagement has concluded with TS staff members who have been identified as being in scope for transfer (under COSoP – staff transfer in the public sector) to SRH. Remaining posts within SRH have been advertised. Secondment opportunities to SRH have also been advertised (TS/SG, ScotRail, **[REDACTED]**). Interim staffing arrangements to be a mix of secondments, a small number of advisers and ongoing support from TS.
- SRH Civil Service Pension Scheme has been approved by Cabinet Office.

SRH Staffing

Alongside the progress detailed above, as we reach this critical last stage, mobilisation of necessary staffing within SRH remains the key area of focus. Our preferred outcome was to mobilise with the necessary staff through a mix of COSoP (in scope staff transferring from Transport Scotland to SRH) and wider recruitment. However due to delays experienced in filling roles via external recruitment, it has been agreed, following appraisal of two specific options, that we will implement a contingency plan with a mix of TS staff who will transfer via COSoP, secondees and external advisers to ensure that, from 1 April, SRH is able to deliver its core functions.

The options considered were:

- **Full capability:** with mix of COSoP, secondees and advisers to fill ALL roles within the SRH structure
- **Core capability:** assumes that four staff members will transfer via COSoP or secondment, with advisers covering the Transition Team, Administrator,

Interim Rail Business Advisor and Business Manager positions. This option means that five posts, which have been determined as NOT being essential for Day One operations, will remain vacant on 1 April 2022. However it does provide **core capability** to support essential activities which require to be undertaken to comply with the framework agreement.

Option two has been agreed as the preferred route and will be in place for 12 weeks to allow recruitment for those vacant roles, and those which are being filled by advisers for the transition, to continue.

This does not present a risk to the mobilisation of ScotRail on 1 April 2022.

Accountable Officer

From 1 April 2022, a Framework Agreement will be in place between Scottish Ministers and Scottish Rail Holdings, and a Grant Agreement between Scottish Ministers, SRH and SRT.

There will however be an interim arrangement in relation to the Framework Agreement with the Transport Scotland (TS) Accountable Officer (AO) remaining as AO for SRH until an order under section 483 of the Companies Act 2006 is approved by Parliament.

TS is already accountable for SRH but that accountability cannot be delegated to the Chief Exec of SRH until the Order is passed.

This interim arrangement does not hinder or impede the processes that have been put in place and the formal letter that designates the SRH Chief Exec as the AO for SRH is expected to be backdated to 1 April 2022.

This does not present a risk to the mobilisation of ScotRail on 1 April 2022.

SRH Board

Officials are progressing with arrangements to populate the roles on the SRH Board. Contingency arrangements will be in place until the posts can be filled. Positions on the Board will be on an interim basis until 31 March 2023 to allow a full process of appointment to be undertaken. We welcome the inclusion of staff representation on the Scottish Rail Holdings Ltd Board (this will be a Non-Executive Director role).

ANNEX C [OUT OF SCOPE]

ANNEX D



Chris Gibb is a highly experienced and well-respected rail industry leader. His career began as a Clerical Officer with **[REDACTED]**, from where he quickly specialised in operational management, progressing to senior roles and spending 14-years as a TOC Managing Director and Chief Operating Officer. During this time, Chris **[REDACTED]** franchises. In these roles, Chris consistently held main board responsibility, leading organisations with a national reach. Since moving into consultancy work, Chris has focussed on providing strategic advice and assurance to government, both national and devolved, train operators and aspiring train operators. Chris has an intimate knowledge of the UK rail industry and the ability to resolve complex issues through a direct and insightful approach.

Chris has been an adviser to the Welsh Government and Transport for Wales since 2015, **[REDACTED]**.

Meeting 24 May 2022

From: [REDACTED]

Sent: 23 May 2022 22:11

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

Cc: Reeve W (Bill) <Bill.Reeve@transport.gov.scot>; [REDACTED]

Subject: Scottish Rail Holdings - Minister meeting with Gareth Llewellyn - 24 May 2022

Private Office

With apologies for the delay in issue please find attached engagement briefing for the Minister meeting with Gareth Llewellyn the incoming interim Chair of Scottish Rail Holdings Ltd tomorrow.

Regards

[REDACTED]

MINISTERIAL ENGAGEMENT BRIEFING: JENNY GILRUTH, Minister for Transport

<i>Engagement Title</i>	Introductory Meeting – Gareth Llewellyn, Interim Chair designate of the Board of Scottish Rail Holdings Ltd.
<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: Tuesday 24 th May 2022 Time(s): 1500-1530 hours
<i>Background/Purpose</i>	<p>The operation of ScotRail services moved to Scottish Government control from 1 April 2022. Under the proposed governance arrangements, Scottish Rail Holdings Ltd (SRH) will oversee the running of rail services by ScotRail Trains Ltd, with SRH reporting to Transport Scotland.</p> <p>This is an introductory meeting with Gareth Llewellyn who has been selected as the interim Chair, and Non-Executive Director, of the Board of Scottish Rail Holdings Ltd. His appointment as interim Chair will be ratified at the next meeting of the Board on Thursday 26th May.</p>
<i>Relevance to Core Script</i>	High performing, resilient rail services for Scotland's communities and businesses, delivered under Scottish Government control.
<i>Questions/Key Messages</i>	Congratulate Gareth on his successful appointment as the interim Chair and Non-Executive Director.

Official Support

Briefing

An opportunity to explore Gareth's previous experiences and any similarities with the role he will undertake with Scottish Rail Holdings Ltd. This may be particularly relevant in light of the current industrial relations challenges.

Outline that The Companies Act 2006 places statutory duties on Non-Executive Directors. (set out in the Role Profile at ANNEX B)

Bill Reeve, Director of Rail, Transport Scotland,
[REDACTED]

[REDACTED]

Annex A - Discussion points
Annex B – Role Profile
Annex C – Gareth Llewellyn CV

DISCUSSION POINTS

Item 1: Key Message:	Welcome and general opening remarks <ul style="list-style-type: none"> • You may wish to congratulate Gareth on his success in being selected as the interim Chair, and Non-Executive Director, of Scottish Rail Holdings Ltd. • You may wish to note that Gareth has previously held roles with [REDACTED] so rail will not be new to him.
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Item 2: Key Message:	Role of Chair of on SRH Board <p>Key questions to explore:-</p> <ul style="list-style-type: none"> • What qualities will Gareth bring to the Board of SRH? • What experiences has Gareth had of being a Chair and Non-Executive Director on a Board? • Confirm that the Companies Act 2006 places statutory duties on Non-Executive Directors to: <ul style="list-style-type: none"> ○ Act within powers set out in the company's memorandum of association ○ Promote success of the company ○ Exercise independent judgement ○ Exercise reasonable care, skill and diligence ○ Avoid conflicts of interest ○ Not accept benefits from third parties ○ Declare interests in proposed transactions or arrangements • Confirmation that role requires a time commitment of [REDACTED] • Letter of invitation to accept the role was issued 29/4. You may wish to acknowledge Gareth's conditional acceptance based on all parties adhering consistently to the terms of the Framework Agreement. • Outline that training material will be offered as part of the appointment/induction process.
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Item 3: Key Message:	Current challenges in respect of ScotRail <ul style="list-style-type: none"> • You may wish to acknowledge the current challenges regarding Industrial Relations and the knock on impact in respect of the level of service provision (temporary timetable) • You may wish to explore Gareth's previous experiences of such challenges and how they were overcome. • You may wish to point to the National Conversation and the extensive consultation that will be undertaken. An opportunity to shape what the new beginning for ScotRail will look like – an affordable, sustainable, customer focussed rail passenger service in a post pandemic world.
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ROLE PROFILE – CHAIR, SCOTTISH RAIL HOLDINGS LTD



Overall Accountability

The Chair of Scottish Rail Holdings will provide the Board with overall leadership, direction and constructive challenge. They will ensure that the Board operates compliantly with Scottish Government protocols including Scottish Government “On-Board” guidance, along with leading on the representation of links to the Ministers and the Scottish Parliament through Transport Scotland.

Board Responsibilities

- Provide overall leadership of the Board of Scottish Rail Holdings, ensuring that all members act compliantly and that all Board meetings are chaired effectively
- Ensure that the Governance of Scottish Rail Holdings is run in accordance with the agreed Governance Framework, and that all substantive reports from the governance committees are given due consideration, with actions taken as required from any recommendations
- Ensure that the Board’s activities are subject to regular self-assessment to ensure that the Board is operating strategically and effectively
- Ensure that all decisions taken by the Board are documented with a full audit trail for key decisions

Strategic Responsibilities

- To lead the relationship Ministers and the Scottish Parliament on matters relating to Scottish Rail Holdings and its subsidiaries
- Ensure that the Board facilitates the business planning cycle on an annual basis
- To lead the Board’s succession planning on an annual basis, to ensure that there is a succession plan, along with a Board that is diverse and effective
- To lead the review of performance against the annual Business Plan, ensuring that any remedial action is taken where there are adverse variances against the plan

Leadership Responsibilities

- To ensure that all Board members are fully aware of their role accountabilities and that all training is delivered to ensure that they discharge their duties fully for the good of Scottish Rail Holdings
- To ensure that the Code of Conduct for Board members followed, as approved by the Scottish Ministers
- Ensure that the Board operates compliantly with Scottish Government protocols including Scottish Government “On-Board” guidance
- Continually review the performance of the Board members, providing feedback along with an annual appraisal
- To conduct the annual appraisal of the CEO, including consulting the other Board members

Oversight Responsibilities

- To provide constructive challenge to ensure that business decisions are made in a robust and sustainable manner
- To regularly review the interactions between Scottish Rail Holdings and its subsidiaries, ensuring that the dynamic is in line with the policies of Transport Scotland
- To ensure the Board meetings continually review the levels of performance being required and delivered by Scottish Rail Holdings subsidiaries

Governance

- The role holder will attend the following Boards and Committees: Scottish Rail Holdings Board, Scotland’s Railway Alliance Board, Scottish Rail Holdings Limited Nominations and Remuneration Committee, Scotland’s Railways’ Stakeholder Board, Strategic Rail Board

Gareth Llewellyn

Chair, NED & former Chief Executive with Global FTSE10

Experience

Contact:

[REDACTED]