House of Commons
Scottish Affairs Committee

The Referendum on Separation for Scotland

Written Evidence

Only those submissions, written specifically for the Committee and accepted by the Committee as evidence for the inquiry *The Referendum on Separation for Scotland* are included.
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Written evidence submitted by the Transport Salaried Staffs’ Association (TSSA)

The potential impact of a separate Scotland on existing and future cross-border rail franchises

1) Introduction

1.1) TSSA welcomes the Scottish Affairs Committee’s early interest in this important issue and this opportunity to comment. TSSA policy supports a publicly owned and operated national rail network that is run in the public interest not for private profit. Details are set out in a major report (Rebuilding Rail, June 2012) produced by Transport for Quality of Life for the rail unions (ASLEF, RMT, TSSA and Unite). However, for the purposes of this submission we are assuming the existing system or something broadly similar will persist after any vote in favour of independence and comment accordingly.

1.2) TSSA is an independent trade union with approximately 2,000 members working in Scotland mainly in the railway industry with ScotRail and Network Rail being their largest employers. Our members are employed in a wide range of jobs undertaking various duties in most areas of railway work.

1.3) The percentage of TSSA members employed by various companies who work in Scotland in some major parts of the industry is summarised in the following table:

<table>
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<tr>
<th>Network Rail</th>
<th>9.3%</th>
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<td>Passenger train operating companies other than ScotRail (Cross Country, East Coast and Virgin Trains West Coast)</td>
<td>9.5%</td>
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<tr>
<td>Rail freight train operating companies (DB Schenker Rail (UK) Ltd. and Freightliner)</td>
<td>6.4%</td>
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1.4) TSSA currently has no formal policy position on the question of Scottish independence/separation. However, we believe that it is essential for our members to know what the likely impact is on their employment before they cast their votes in less than two years time towards the end of 2014. Our basic worry is that additional costs arising from running the rail industry in Scotland could threaten our members’ jobs and conditions of employment. Alternatively, if there are additional costs to the industry/franchises arising from separation these may be addressed by increasing fares, subsidies or cutting services – or indeed a combination of such measures. Again, this is something that needs to be quantified before the referendum.

2) Effect of separation on existing cross-border rail franchises

2.1) We are not in a position to put a figure on the cost of running the railways in Scotland post-separation, but instinctively feel this will increase. The relationship between the rail network/industry covering England & Wales and Scotland will change and will need to be accounted for as two entirely separate entities to, amongst other things, ensure neither state subsidises the other’s rail industry. Separation would, almost certainly, add to the complexity of an industry that is already far too complex. Drawing on Sir Roy McNulty’s work (Realising the potential of GB rail: final independent report of the rail value for money study, detailed report – 2011) the Rebuilding Rail report confirmed the costs of interfaces between TOCs and Network Rail totalled £290 million annually. A figure for Scotland is not given separately, but logically it follows that more fragmentation/complexity will add to costs that will either fall to taxpayers, fare payers or both. Such additional costs need to be quantified. Transport Scotland, the Department for Transport and the Office of Rail Regulation need to work together and publish their findings.

2.2) TSSA is fairly relaxed about how industry costs are currently aggregated/dis-aggregated between Scotland and England & Wales. Income and other tax rates are the same throughout
the UK and how the Westminster and Holyrood governments allocate public funds is ultimately a matter for the respective administrations, taking account of their priorities and needs of their citizens. Our main concerns currently are that passengers/freight customers are provided with a good quality, affordable/economic service and our members are adequately rewarded for their labour. However, we appreciate separation will bring about the need for, as far as is possible, absolute accuracy in relation to public finance aspects of cross border services and associated activities.

2.3) For example, the InterCity East Coast Franchise is one of the franchises that operates cross-border services. This franchise is specified and funded by the Department for Transport. According to the ICEC Franchise Consultation (June 2012) the DfT “regards Transport Scotland as an important partner and the two organisations work closely together to ensure that the specification for ICEC cross-border services properly reflects Scottish needs.” The ICEC Consultation sets Transport Scotland’s priorities for improvements to ICEC, namely:

- Optimising the balance between fast, targeted business services with reduced journey times, and the need for good connectivity between Edinburgh and intermediate stations on the East Coast Main Line.
- Retention of through services to/from Aberdeen and Inverness.
- Review of timings for the service to/from Inverness and Aberdeen to ensure that arrival and departure times are as convenient as possible for the majority of passengers.
- Review of opportunities for ICEC services to provide increased peak capacity at Edinburgh.

2.4) Scottish independence, presumably, will not alter these priorities, but public finance aspects of operating these services in Scotland will become entirely the responsibility of the Scottish government.

2.5) In June 2012 Transport Scotland published ‘Rail 2014 – Analysis of Consultation Responses’. It reported that overwhelmingly, a large number of responses indicated cross-border services should continue beyond Edinburgh and either maintain current service patterns, or if possible provide further enhancements to services. There were considerably fewer respondents who either agreed with the option of an Edinburgh hub, or thought the option merited further consideration. The following NESTRANS quotation reproduced in the analysis of responses puts it succinctly:

“That maintaining through trains between the North East and London are critical both for economic/business and for leisure trips. The possibility of requiring all passengers to change trains at Edinburgh is completely unacceptable, would inconvenience many travellers, harm economic and tourism potential, create severe capacity issues and limit travel choice to/from the north east. Transport Scotland and the Scottish Government should insist on the Department for Transport’s commitment to dual-purpose rolling stock being commissioned as soon as possible.”

2.6) In our view, separation would weaken significantly Scotland’s ability to influence (let alone insist) on the DfT doing anything unless coincidentally it was in Westminster’s interest too. Obviously this could have a negative knock on effect on the level and quality of cross-border services. The only reasonable assumption to make is that the Scottish government would have to be the guarantor for funding of franchise services operating within Scotland.

3) Effect of separation on the operation and regulation of cross-border rail franchises

3.1) Detailed consideration needs to be given to the shape of any post-separation rail industry that goes beyond the strictly operational cross-border/franchise issues, including its regulation. For example, the possible loss of any economies of scale that may currently accrue from various industry organisations and structures need to be quantified, including:
3.2) Would, for example, it be appropriate to create a fully blown Scottish equivalent of Network Rail including its board of excessively remunerated directors. More importantly, perhaps, is how an independent Scotland would treat Scotland’s share of Network Rail’s debt. According to Rebuilding Rail excess interest payments on Network Rail debt is £156 million annually. Recently it has been widely reported (e.g. CityAm, 23rd November 2011 – ‘Network Rail’s debts soar as it upgrades track’) that Network Rail’s debt increased by almost £1 billion to £28 billion in the space of six months. The Guardian reported (23rd November 2012 – ‘Network Rail pleads for more cash as debt soars’) critics of the railway structure claim the debt amounts to a hidden subsidy on top of the £4 billion of public money Network Rail receives. Amongst other things, Network Rail is expected to issue bonds to fund operations and larger upgrade projects. These bonds are guaranteed by the state, for which Network Rail pays the exchequer £200 million a year. Network Rail’s (notional) independent status means its liabilities do not appear on the state’s books despite 40% of the rail industry’s costs being met through public subsidies.

3.3) ORR acts as both the industry’s economic and safety regulator. In 2011/12 ORR’s budget was £30,736,000 (Safety regulation £18,773,000 / Economic regulation £11,963,000). Currently it reports formally to the Secretary of State and Scottish Ministers as required by section 74 (1) of the Railways Act 1993 and the Scotland Act 1998 (transfer of Functions to Scottish etc.) Order 1999. In the event of independence, it would be for a Scottish government to determine how the industry in Scotland is regulated. If it decided to replicate the ORR or something similar, it is likely to be proportionately more costly to run.

4) Possibility of future franchises being awarded across a national boundary
4.1) We think we have dealt with this question in paragraphs 2.3 to 2.6 above with specific reference to the ICEC franchise. All we would add is that the on-going debacle and problems surrounding the awarding the Inter-City West Coast franchise bring into focus the difficulties for the involvement of only one government – the involvement of two governments, perhaps with conflicting priorities, can only add to such difficulties.

5) The economic viability of separate franchises for cross-border traffic between Scotland and England
5.1) Again we think we have touched on this question in paragraphs 2.3 to 2.6 above with reference to the ICEC franchise. However, all we would add is that separate franchises would probably be more costly and require higher subsidies, higher fares or lower standards. A report in The Times recently (24th November 2012 – ‘Revealed: the train operators that cost most by the mile’) based on work by ORR ranked train operators. The cost of carrying each passenger per km for the four Scottish operators was:

- East Coast – 8.09p (Rank = 1 – i.e. cheapest)
- Virgin Trains – 9.32p (Rank = 7)
- CrossCountry – 10.27p (Rank = 10)
- First ScotRail – 15.22p (Rank = 15)

6) Public-sector comparators for the West Coast Main Line
6.1) One of our main concerns regarding the current system is the (wrong) assumption that private sector operators are better than anything deliverable by the public sector. The
experience of the ICEC franchise and the inability of the National Express Group plc and Sea Containers/GNER illustrate serious deficiencies of private sector companies to work in the public interest. By contrast the current franchise operator—Directly Operated Railways (a subsidiary of the DfT) – has performed well. Amongst other things, in 2011/12 it paid a premium of £187.7 million. In the absence of any more radical plans for a publicly owned industry, TSSA would strongly support the retention of the current ICEC franchise arrangements that could provide a suitable public sector comparator organisation for the WCML. It will be noted from the ORR analysis referred to above (paragraph 5.1) that state-owned East Coast was the cheapest operator using that measure.

7) Other

7.1) We would like to take this opportunity to flag up an important issue that will need to be addressed should Scotland vote for independence that also has cost implications for the industry and franchised train operators running cross-border services and employing staff in both Scotland and England & Wales. Our members will require clarity on concerns they will no doubt have in relation to their occupational pension. Many employees working in the industry in Scotland are members of various sections of the Railways Pension Scheme (RPS).

7.2) The Pensions Act 2004 introduced a number of provisions relating to cross-border activities under the EU Pensions Directive. Amongst other things, the Directive requires that non-money purchase cross-border schemes are fully funded at all times. UK law interprets this as meeting the statutory funding objective introduced by the Pensions Act 2004. The statutory funding objective is the requirement of a defined benefit scheme must have sufficient appropriate assets to cover its technical provision (i.e. the amount required on an actuarial calculation to make provision for the scheme’s liability). In addition, in order to be authorised, cross-border schemes must obtain annual actuarial valuations, with any deficit against the statutory funding objective being removed within 24 months of the valuation’s effective date.

7.3) There are obvious, serious implications for all workers in Scotland who are members of defined benefit schemes whose schemes’ would become cross-border schemes on separation. However, the position of the RPS may be more problematic. Many rail workers have legal protections covering their rights to belong to the RPS contained in the Railways Act 1993 and The Railway Pensions (Protection & Designation of Schemes) Order 1994. Furthermore, the RPS is a shared cost scheme, with its rules stipulating a contribution split in proportion 60% employer / 40% employee. Cross border pension schemes are more expensive to run because they have to undergo an actuarial valuation annually instead of every three years. More important is the very short time frame within which scheme deficits must be corrected. Sections of the RPS rail workers currently belong to have no Crown guarantee. They are private sector schemes, subject to normal pensions regulation. Currently if a section is in deficit, a deficit recovery plan must be agreed and it is not uncommon for this to be done over a (deficit recovery) period of ten to fifteen years. TSSA and the other trade unions have a good record of working constructively with employers in dealing with such problems. Having to eliminate deficits within only two years could mean making swingeing cuts to member benefits and/or huge increases to their contributions using the 40/60 formula. Time constraints imposed by cross border pension regulation would undermine the consensual process for reaching agreement. At least 60% of this funding will need to come from industry employers at a time when it is under pressure to cut costs, including the cash support for ScotRail that has increased by 37% since 2009 to £305 million. In addition to the named employers in the table in paragraph 1.3 above there are a dozen or so other employers covering various industry activities (maintenance, signaling, telecommunications, consultancies etc.) where TSSA has members employed in both Scotland and in England & Wales. Many of these already have pension deficit problems that can only be exacerbated if they became cross border schemes.

November 2012
Cross-Border Rail Services

Executive Summary

1. It is the Scottish Government that is proposing independence and it is the Scottish Government which must set out what independence would look like. So this submission briefly outlines the current arrangements for cross-border rail franchises. Four franchises let by the Department for Transport currently include cross-border services between England and Scotland, while Transport Scotland manages the ScotRail franchise.

2. There are opportunities for the Scottish Government to influence the development of the specification of Department for Transport cross-border franchises through a public consultation process. Franchise bidders are also strongly encouraged to consult the devolved administrations and other stakeholders during preparation of their bids and when developing services throughout the franchise life. Where devolved administrations have concerns about the operation of cross-border services they can raise them with the Department, which is responsible for securing compliance with the franchise agreement.

3. Following cancellation of the InterCity West Coast franchise competition, the Government is negotiating with Virgin Rail Group with a view to them continuing to operate services for a period; the next stage will be to hold a competition for future franchise operations. The Government remains committed to ensuring continued private sector innovation and investment in Britain’s railways, and has no plans to place the West Coast franchise into public ownership.

Introduction

4. On 15th October the UK and Scottish Governments reached an agreement that will allow for a single question referendum on independence to take place before the end of 2014. The Government’s position is clear: Scotland benefits from being part of the UK and the UK benefits from having Scotland within the UK. The Government is confident that the people of Scotland will choose to remain part of the United Kingdom. It is the Scottish Government that is proposing independence and it is the Scottish Government which must set out what independence would look like and what it would mean for Scotland.

5. Accordingly, this Memorandum outlines the current arrangements for cross-border rail franchises, which it is hoped will provide helpful context to the Committee’s deliberations. It also briefly outlines recent developments on the InterCity West Coast franchise, which is specifically referred to in the Committee’s Terms of Reference.

Structure of the rail industry

6. Most mainline rail services in Great Britain are operated under a contract, or franchise, between a franchising authority (e.g. the Department for Transport; Transport Scotland) and a train operating company. The franchise agreement will require the train operator to meet various obligations (e.g. minimum level of train services; defined performance levels), and will provide for the payment of either a subsidy (from franchise authority to operator) or a premium (from operator to franchise authority).

7. The train operator secures rights to access the rail infrastructure (track, light maintenance depots, stations) through access agreements with Network Rail, which owns and operates the national rail infrastructure. Network Rail is licensed and regulated by the Office of Rail Regulation (ORR). Train operating companies are also licensed by the ORR. Both Network Rail and the ORR’s
remits extend to Scotland, as well as to England and Wales, providing a single consistent framework for train operators (including operators of cross-border rail services).

**Existing rail franchises operating wholly or partly in Scotland**

8. Franchised services operating wholly within Scotland form part of the ScotRail franchise, which is managed by Transport Scotland on behalf of the Scottish Government. The franchise includes some services which operate to Carlisle, as well as the Caledonian Sleeper which operates between Scotland and London.

9. There are four existing franchises let and managed by the Department for Transport which include cross-border services between England and Scotland alongside services that operate wholly within England, as summarised in the table below. This approach allows the franchise operators to improve efficiency and reduce cost, in the sense that they can use a single pool of rolling stock to operate both within-England and cross-border services rather than operating separate dedicated fleets for within-England and cross-border services.

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<tr>
<th>Franchise</th>
<th>Operator</th>
<th>Service description</th>
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<tr>
<td>InterCity East Coast</td>
<td>East Coast Main Line Ltd&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Long-distance InterCity services between London, Leeds, York, Newcastle, Edinburgh, Glasgow, Aberdeen, Inverness and other destinations</td>
</tr>
<tr>
<td>InterCity West Coast</td>
<td>West Coast Trains Ltd (trading as Virgin Trains)</td>
<td>Long-distance InterCity services between London, West Midlands, North Wales, North West England, Glasgow; and between Birmingham and Glasgow/Edinburgh</td>
</tr>
<tr>
<td>Cross Country</td>
<td>XC Trains plc</td>
<td>Various long-distance, non-London routes – including South West England to Edinburgh, Glasgow, Aberdeen</td>
</tr>
<tr>
<td>TransPennine</td>
<td>First/Keolis TransPennine Express Holdings Ltd</td>
<td>Predominantly long-distance inter-urban services linking major centres of population across the North of England. Includes trains between Manchester and Glasgow/Edinburgh</td>
</tr>
</tbody>
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<sup>1</sup> Wholly-owned subsidiary of Directly Operated Railways Ltd.

**The franchising process**

10. There are a number of stages in the process of letting and managing a rail franchise. In summary, these involve:

- **specification** of what services the franchising authority wishes to buy. For franchises let by the Department for Transport, this has involved consultation with interested parties about the services which should be specified in the franchise contract. Such consultation also provides an opportunity for authorities such as the Scottish Government to decide whether to request the Department to purchase additional services on their behalf within the franchise;

- **development of procurement criteria** by the franchising authority, including how any options are evaluated, and work to ensure the evaluation criteria fit with the franchise objectives. During consultation, authorities such as the Scottish Government can make any relevant representations to the Department;

- an **evaluation and award** process which is managed by the franchising authority, to apply the established procurement criteria in order to select an operator to run the franchise and
settle the final terms of the contract. Bidders are strongly encouraged to consult stakeholders, including the devolved administrations where cross-border services are involved, during the process of preparing their bids;

- a mobilisation period between awarding the contract to the successful bidder and the start of the new franchise; and

- operation and service delivery by the franchise operator, with monitoring by the franchise authority to ensure that contractual requirements are met. Franchise operators are encouraged to consult stakeholders on the development of their services throughout the franchise. If a third party such as the Scottish Government has any concerns about the operation of cross-border services in a Department for Transport franchise which cannot be resolved with the operator, they can raise them with the Department, which has responsibility for securing compliance with the franchise agreement.

**InterCity West Coast**

11. The Secretary of State announced on 3 October that the competition to run trains on the West Coast Main Line had been cancelled following the discovery of flaws in the way officials conducted the franchise competition. He also announced that the ongoing rail franchising programme would be put on hold pending the outcome of two independent reviews, which are now well under way. The first (by Sam Laidlaw) is due to present its final report to the Secretary of State imminently, having provided an interim report in late October; the second (by Richard Brown) by the end of the year.

12. Since that announcement, the Department has entered into negotiations with Virgin Rail Group with a view to enabling them to remain as the operator of passenger services for the West Coast Main Line for a short period. The next stage will be to hold a competition for future franchise operations. The findings of the review by Richard Brown and the inquiry by Sam Laidlaw must be given careful consideration as to how we take forward the wider franchising programme.

13. The Department remains committed to ensuring that Britain continues to have private sector innovation and investment in its railways. Since privatisation in 1994 the number of passenger miles travelled on Britain’s railways has nearly doubled and this growth has brought significant benefits to Britain’s economy and environment by relieving congestion and improving connectivity for businesses, commuters and leisure travellers. Passenger satisfaction and train punctuality have risen significantly in the last decade and the Government wants to see these benefits continue.

14. For these reasons, the Government has no plans to place the West Coast Main Line franchise into public ownership. Similarly, and having taken account of the findings of the two independent reviews, the Government will undertake to run a franchise competition for InterCity East Coast train services in due course.

*November 2012*
Supplementary written evidence submitted by Department for Transport

Cross-Border Rail Services:

Background

1. Officials from the Department for Transport and the Cabinet Office attended a private briefing session with the Scottish Affairs Select Committee on 12 December 2012. This supplementary memorandum responds to a number of questions raised by the Committee at that session.

Cross-subsidy between services within cross-border franchises

2. The Committee noted that, within a franchise, some services (or parts of services) may be profit-making and others may require subsidy, and asked whether data exists to show which services fall into which category.

3. The Department for Transport publishes the level of premium or subsidy paid to or by each franchise, both including and excluding the Network Grant paid by the Department for Transport to Network Rail. Transport Scotland’s Annual Report and Accounts include information about the Network Grant it pays to Network Rail and subsidy payments to the ScotRail franchise operator.

4. At present, there is no published analysis which identifies subsidy or premium at a more disaggregated level. This is a difficult exercise given that payments are made at a franchise level and given the existence of common fixed costs across the network, which cannot straightforwardly be apportioned to individual routes or services.

5. Nevertheless, over the coming months, the Department will be continuing to work with train operators as part of the Government’s wider transparency agenda, with a view to the industry producing and publishing a more disaggregated analysis of the existing franchise-level data. The primary purpose of this work is to provide passengers and taxpayers with a broad indication of what they are paying for particular groups of services, in an accessible way. An early stage of this work will be to agree with the industry an appropriate level of disaggregation at which this analysis should be produced, recognising that the margin of uncertainty around any findings is likely to increase with greater levels of disaggregation.

Barnett Formula

6. The Committee asked whether the Barnett Formula takes into consideration the possibility that, within cross-border franchises, there could be some implicit subsidy between some services (or parts of services) and others. The simple answer is “no”: the Barnett Formula is applied at Departmental level and is not adjusted to reflect the fact that some rail franchises are cross-border in nature. The Department for Transport’s budget is set such that it bears the full costs of all such franchises.

7. The same principle applies in relation to changes in the Department’s grant payment to Network Rail. If the Department adjusts its grant to Network Rail in relation to England and Wales from within its existing Departmental resources, then the Barnett Formula will not apply. The Barnett Formula would apply only if grant to Network Rail were adjusted as part of a

1 https://www.gov.uk/government/publications/rail-subsidy-per-passenger-mile
change in the Department’s overall funding allocation through a fiscal event such as the Autumn Statement.

**Covering the costs of Network Rail’s activities in Scotland**

8. Network Rail’s costs in operating, maintaining, renewing and enhancing the network in Scotland are funded by the Network Grant paid by Transport Scotland, access charges paid by train operators in Scotland, and property income derived in Scotland. A proportion of Network Rail’s centrally-held costs are also allocated to Scotland, and are therefore funded from those same sources.

9. Network Rail currently benefits from the Financial Indemnity Mechanism (FIM) provided by the UK Government for all of its debt. Network Rail pays a fee to the Department for Transport for the credit enhancement it gains from the FIM. As with other centrally-held costs, a proportion of this fee is allocated to Scotland.

**Services between Belfast and Dublin**

10. Rail services in Northern Ireland and the Republic of Ireland operate within a different structure to services in Great Britain. In both cases, the network infrastructure and the train services themselves are provided by a single public-sector organisation (Translink in Northern Ireland; Iarnród Éireann (IE) in the Republic of Ireland). Each of these organisations is funded in part by the relevant government, and in part by revenues from fares and other sources. As a result of this structure, many of the arrangements that exist in Great Britain are not needed (e.g. leasing of rolling stock is not undertaken as government effectively funds the rolling stock and other assets).

11. Cross-border services between Belfast and Dublin are coordinated by Translink and IE. Services are operated jointly by a combination of Translink and IE rolling stock and staff. The timetable, fares and other aspects of the service (including which operator runs which services) are determined by agreement between the two parties. A formal agreement sets out the formula-based arrangements for revenues to be allocated between the two parties.

*January 2013*
Written evidence submitted by The Associated Society of Locomotive Engineers and Firemen (ASLEF)

The potential impact of a separate Scotland on existing and future cross-border rail franchises

Introduction

The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK’s train driver’s union representing approximately 18,000 members in train operating companies and freight companies as well as London Underground and Overground. ASLEF has over 1,600 members in Scotland.

Executive Summary

ASLEF believes that an independent Scotland could open a Pandora’s Box in the area of cross-border rail services. The franchising system in the UK ensures that it is difficult to find comparators elsewhere in Europe. Nonetheless, the union would contend that duplication of both services and regulators would lead to higher costs and thus bigger bills for the taxpayer for very little benefit in terms of service. An independent Scotland raises significant questions as to how future investment in Scottish rail infrastructure will be funded. It could also adversely affect rail freight. There will also be an issue of the validity of Government specifying and tendering for franchises that will run in another independent country over which it has no jurisdiction. The effect on staff must also be taken into account.

1. ASLEF believes that there will be many difficult challenges if Scotland becomes an independent country. The first and most obvious issue being the effect it will have on cross-border franchises. The East Coast, West Coast, CrossCountry and TransPennine franchises are all vital services within Scotland but will ultimately be picked by a Government that has no representatives in or jurisdiction over the country.

2. As things currently stand, the ScotRail franchise is devolved to Transport Scotland. There would be fewer reasons for there to be significant changes to this service. This does not mean that there will be no change. For example, the Scotland Act means that the Scottish Government is still confined to the Railways Act. Therefore, Scottish Governments, whether they support it or not, must continue to use the franchising system to supply rail services. In addition, Section 25 of the Railways Act 1993 prevents any public sector ownership of franchises. Nonetheless, independence is not necessary for such provisions to be removed. These stipulations could be removed under maximum devolution or ‘devo max.’ It should also be remembered that the ScotRail franchise runs services into England as does the Caledonian Sleeper which services London, Watford and Preston.

3. It is clear that the current devolved powers enable the Scottish Government and the UK Government to run services that cross borders, yet full scale independence raises many new questions and uncertainties. Currently, the Scottish Government is a formal consultee in the process of refranchising those services which cover the country. Additionally, Westminster has jurisdiction over Scotland and has bodies, (such as the Scottish Affairs Committee) which ensure that Scottish voices and opinions are heard on transport issues. Therefore, it can be said that while the four main cross-border services are let by Westminster, parliament has legitimacy to make decisions effecting Scotland. Should Scotland become an independent state, this would, naturally, change. A situation would arise whereby the British Government are choosing a provider of services for another sovereign power. Alternatively, a situation could come to pass where both Scotland and the UK decide to replicate services with both running cross-border...
traffic between the two countries. Such a scenario might double the cost as both authorities subsidise both TOCs making the services more expensive to British and Scottish taxpayer. Another negative effect would be reduced capacity for rail freight that runs over these lines. Much of this traffic is highly important and rail freight has the potential to be a key area of green growth for the economy. In such circumstances every effort would have to be taken to allow paths to expand, not shrink.

4. Of course there are many examples of cross-border services throughout Europe. However the United Kingdom’s Rail network is unique in subsidising long distance operators to private companies. As explained in the McNulty Report, “franchising in Europe has tended to focus on subsidised regional services, with the majority of services continuing to be operated by the former state monopoly train company.” Cross-border services are not franchised, any agreements on services are therefore signed up to in the knowledge that the operator is not scheduled to change at regular intervals. It is likely that this will create additional difficulties when dealing with services going from one country to another. It could mean that negotiations would have to reopen between the independent states every time a new franchise is awarded. This will add even more fragmentation and cost with money going to lawyers, consultants and accountants causing additional funds to leave the industry. ASLEF would suggest that whilst pan national services are the norm across Europe, the additional difficulty of franchising will be a new and challenging barrier to an efficient system.

5. Many lines within the rail network rely on cross subsidy within their business model. A good example of this is the West Coast Mainline where the London to Preston section is extremely profitable with services between Glasgow and Preston less profitable. This situation effectively supports the provision of services north of Preston. ASLEF would ask if the profitable section of this line resides in England with the loss making line in Scotland, will the Scottish taxpayers be required to pay a high subsidy to the franchise owner? The union is concerned that this could mean a higher price to the Scottish taxpayer for a service that their elected representatives had a far smaller role in procuring.

6. The role of Network Rail in an independent Scotland raises significant questions. Would an independent Scotland take over the country’s rail infrastructure in its entirety? Network Rail has a substantial debt or regulatory asset base, currently some £28 billion in the red. Will the new Scottish Government take up a proportion of this debt and interest that can be attributed to the network north of the border? How would this affect future Network Rail investment both in Scotland and elsewhere given that the infrastructure operator borrows against its asset base.

7. ASLEF is concerned that an independent Scotland would remove economies of scale generated in the fields of maintenance and track renewal. Variable standards would also have to be avoided in these areas and others such as health and safety.

8. Another key consideration would be regulation. Currently the ORR is the regulator for the whole of the rail network in the UK. Would this responsibility become transnational or would Scotland have its own regulator? If this was the case, would responsibility for regulation strictly end at the border meaning two organisations could be responsible for one line and one Train Operator? This could lead to greater costs for passengers and TOCs who would have to comply and liaise with two regulators rather than one. Experience shows that, on the railway increased costs come from the pocket of passengers and the taxpayer not the profit of the private companies. Not only could this mean that regulation of the railway would be disjointed, it could lead to a duplication of responsibilities. The Scottish Government would need to set up a whole new regulator
to do the work once under taken by the ORR. This would be a significant cost to the taxpayer for no additional benefit than the status quo offers.

9. ASLEF believes in a publicly owned and publicly accountable railway across the United Kingdom. The union believes that such an operating model would have the most significant benefits on intercity routes. Should the East Coast, West Coast or CrossCountry franchises come into public hands on a permanent basis, the prospect of running those routes through two separate countries can only add further complications.

10. The potential impact on staff also requires clarification, not least, pension provision. If Scotland became an independent country, TOCs that are cross-border would suddenly have cross-border pension schemes and would be subject to EU regulation around cross-border pensions. A key requirement of these provisions is that such schemes must be fully funded with any time limits for recovery periods being very limited. Additionally scheme valuations must take place annually rather than triennially which will increase costs. The implications of this are that ASLEF members will potentially face the prospect of unaffordable contributions or reduced pension benefits simply as a result of new administrative processes.

11. ASLEF would also strongly oppose any erosion of existing staff travel provision as a consequence of Scottish independence. Protected and safe-guarded staff receive a certain amount of free travel across the UK which could be compromised by Scottish separation. The union would therefore insist that members on both sides of the border retain the same right to free travel in the aftermath of possible independence.

12. This submission demonstrates that details of how cross-border rail franchises will operate in an independent Scotland require substantial clarification. It outlines the Pandora’s Box such a development would unleash and highlights examples of cross border services across Europe yet draws attention to the limitations of such comparisons given the uniqueness of the British franchising system. ASLEF takes the view that a yes vote for independence would generate significant additional complexities and costs in relation to the provision of rail services in both Scotland and elsewhere in the UK and believes the Scottish must clarify Government to clarify how it foresees these issues developing in the interests of both Scottish taxpayers and passengers.

November 2012
Written evidence submitted by FirstGroup

Cross-border rail franchises

About FirstGroup

1. FirstGroup plc is the leading transport operator in the UK and North America. We employ approximately 124,000 people and we transport more than 2.5bn passengers every year. Our company is comprised of five divisions – UK Rail and UK Bus here and First Student, First Transit and Greyhound in America.

2. We are the UK’s largest rail operator with almost a quarter of the market. We are the only operator to run every type of overground passenger rail service in the UK, from high speed inter-city trains and overnight sleepers to local branch lines, regional, commuter and open access services. We operate four franchises (First Capital Connect, First Great Western, First ScotRail, First TransPennine Express) as well as Hull Trains, an open access operator, and Tramlink, on behalf of Transport for London.

3. Our four franchises have received more than 250 awards since 2005 – First TransPennine Express is currently the Rail Business Awards Train Operator of the Year, and ScotRail was named Public Operator of the Year at the Scottish Transport Awards 2012. We carry more than 300m passengers a year, an increase of 40m passengers since 2006/7. Passenger volumes increased by 3.8% in 2011/12.

4. We employ 13,000 people in UK Rail and have nearly 2,800 rolling stock vehicles, with around 740 additional vehicles introduced to our franchises by FirstGroup. We have put in over £650m capital investment into our franchises since 2006.

5. Despite operating as a Group across the UK and North America, we remain a Scottish company, and are proud to have had our headquarters in Aberdeen since the company began in 1986.

FirstGroup’s Scottish rail operations

6. FirstGroup is proud to operate Scotland’s railway. We were awarded the ScotRail franchise in June 2004 and commenced operations in October 2004. The franchise ends in November 2014 – this was extended by three years in April 2008. First ScotRail (FSR) runs around 95% of train services in Scotland and serves 348 stations, operating all but two of these (Glasgow Queen Street and Edinburgh Waverley) which are operated by Network Rail.

7. FSR employs approximately 4,600 people and operates more than 2,300 services per day using 871 vehicles (an increase of 300 per day from start of franchise) and was given the accolade of Scottish Public Transport Operator of the Year for the fourth time in June. FSR’s Performance and Punctuality Measure (on a moving annual average) was 92.3% for Period 8. In Spring 2012, the independent National Passenger Survey recorded 89% overall customer satisfaction with FSR, which is 6% above the UK average.

8. FSR operates the overnight Caledonian Sleeper services between London and Scotland. In 2011/12, almost 300,000 journeys were made on the Sleeper service. The operation consists of two distinct services:

- The Lowland Sleeper (which divides into two sections en route: one to Edinburgh and one to Glasgow); and
- The Highland Sleeper (which divides into three sections en route: one to Fort William, one to Inverness, and one to Aberdeen)

These trains run in both directions six nights per week (not on Saturday night). FSR also operates a number of daytime cross-border services, between Scotland and Carlisle and Newcastle (21 services northbound and 25 southbound each week).

9. First TransPennine Express (FTPE), another of our TOCs, also operates cross-border services. It took over operation of the Manchester-Scotland route from Virgin Trains in 2007. FTPE operates a total of 64 cross-border services every week on its current timetable (30 northbound and 34 southbound). In February 2012 FTPE secured agreement to acquire 10 four-car Class 350 trains for the Manchester-Scotland routes.

10. The Committee will be aware that FirstGroup was awarded the InterCity West Coast (ICWC) on 15 August 2012, but that this award was cancelled on 3 October. The Secretary of State for Transport has made it clear that his decision to cancel the franchise award should in no way reflect on FirstGroup or our winning bid. We stand by all the outputs we promised to deliver for ICWC, which, in the context of this inquiry, included cutting 15 minutes from the journey time of a number of our London-Glasgow services, in both directions. We also would have procured a fleet of 11 brand new electric 125 mph trains to serve Birmingham-Scotland services, delivering 12,000 more seats per day. As well as increasing capacity on cross-border services, we would have provided a much-improved travelling experience for passengers across the franchise. It was our aim to deliver these improvements by the end of 2016.

**Specification of cross-border services**

11. There were 7.66m cross border passenger journeys in 2011-12. This represents a 58% increase in the number of cross-border journeys in the last ten years; slightly higher than the total increase in rail journeys in Britain over the same period of 50%.

12. There are clear network benefits from having a range of co-ordinated cross-border services on both the East Coast and West Coast Main Lines (ECML and WCML). Whatever future decisions are taken on the constitutional status of Scotland, we would argue that it is important for both Scottish and English economies that cross-border service levels are – at the very least – kept at current levels. We would hope that a position could not come to fruition where a specifying authority could take a unilateral decision which would undermine cross-border services in a way that might be detrimental to either (or both) economies.

13. Under the Railways Act 2005, the then Scottish Executive (now Scottish Government) and the UK Government agreed that Scottish Ministers will take greater responsibility for rail powers in Scotland, including:

- Transfer of the Strategic Rail Authority’s powers to manage and monitor the performance of ScotRail services (prior to the Authority’s demise)
- Sole responsibility for securing future ScotRail franchises
- Power to take long term, strategic decisions about future investment
- Power to fund and specify where resources are targeted by Network Rail on track maintenance and investment in Scotland

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1 Total cross-border journeys in 2002-03: 4,854,982 (northbound: 2,517,344; southbound: 2,337,638)
2 Total GB franchised passenger rail journeys in 2002-03: 975.5m; in 2011-2012:1,460m (Source: LENNON database and train operating companies)
However, safety and the licensing of railway operators remain reserved to UK Ministers.

14. Thus, Transport Scotland has a devolved role in specifying and procuring the ScotRail franchise and the Anglo-Scottish sleeper service. Between November 2011 and February 2012, Transport Scotland held a consultation which asked rail users and stakeholders to play a part in shaping Scotland’s rail services in future. On 21 June 2012, Keith Brown MSP, then Minister for Housing and Transport, set out how the Scottish Government intended to contract for, and fund, rail services from 2014 to the Scottish Parliament.

15. Under these plans, the domestic ScotRail operations will be separated from the cross-border Caledonian Sleeper service, and both let as separate franchises. The ScotRail franchise will be let for ten years with a potential break point after five years. The Caledonian Sleeper franchise will be let for 15 years – the Minister stressed the longer franchise should be seen in the context of £100m “transformational investment” in the service, announced in December 2011 “to ensure the Caledonian Sleeper remains a unique, valued and high profile service”.

16. Currently, DfT specifies and procures the four main franchises with cross-border services – ICWC, InterCity East Coast, TransPennine Express and Cross-country. Transport Scotland can input into the specification of routes which cross the border, buying increments in service where it so chooses. We would like to see the two specifying authorities continue to co-ordinate cross-border service requirements; it would clearly be in the interest of any future franchising / specifying authority in an alternative constitutional settlement in Scotland to be able to do the same.

17. As currently is the case with international services in mainland Europe, in a post-independence Scotland, procuring authorities would have to negotiate as equals, agreeing a joint specification and sharing either proceeds from premia or the cost of subsidy. We believe that it would be in neither country’s economic, social or cultural interest to see a decrease in levels of rail services across the Anglo-Scottish border.

18. Similarly, we would wish to see clarity over investment inputs, both in terms of infrastructure and on the operational side (for instance in rolling stock).

19. On their own terms, franchises for cross-border services which are separate from wider operations wholly within one of other of the nations are unlikely to be economically viable or attractive. This would be an inefficient proposition, ignoring how to make the best use of linked infrastructure and major stations on both ECML and WCML.

20. Further, it is difficult to predict how independent procuring authorities either side of the border would continue to specify services serving locations close to the border if cross-border services are not integral to other franchises.

**Operation and regulation of cross-border services**

21. From an operators’ perspective, it is clearly preferable to operate within the same or largely similar frameworks when providing train services which run between England and Scotland. This includes performance, fares, regulatory and health and safety regimes. We would stress the need to avoid duplication and increased complexity for operators, as it could have an impact on a number of outputs, including the range of service, performance and fares.

22. Similarly, it is important that the economic signals set by the charging regime do not undermine the ability of train operators to apply marketing, customer information and operational expertise and

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economies of scale to continue to increase passenger numbers and rail’s share of the total number of cross-border journeys.

23. Sir Roy McNulty’s Value for Money study, and his report\(^4\), commended all parties in the rail industry to look at ways of saving costs in the industry. As the largest TOC owning group, we are fully committed to meeting that challenge. Our Chief Executive, Tim O’Toole, chairs the Rail Delivery Group (RDG) which was established in response to the call by Sir Roy for the rail industry to demonstrate leadership in order to co-ordinate industry’s efforts to costs. The RDG focuses on industry-wide issues. Its work is in the context of the need for improved services to rail users and value for money for taxpayers in both nations.

24. In this context, were Scotland to become independent, both Governments – in the interest of not only value for money, but in providing a seamless cross border rail service for passengers – would undoubtedly wish to work closely to achieve these goals. FirstGroup would be happy to provide both Governments with advice and assistance to ensure a positive passenger experience.

\(^{\text{December 2012}}\)

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\(^4\) Realising the Potential of GB Rail, published 19 May 2011
Supplementary written evidence submitted by Rt Hon Michael Moore MP, Secretary of State for Scotland

I am writing further to the Committee's session on the referendum on Separation for Scotland that the Parliamentary Under Secretary and I attended on 31st October. I would like to put on record our thanks for the opportunity to give evidence to the Committee: I hope that our oral evidence, and the additional information set out below are helpful to you in your inquiry. If you have any further questions, we would be very happy to assist.

Cost of the referendum consultation

I committed to providing the Committee with information on the costs of our referendum consultation Scotland’s constitutional future. The costs of printing the consultation document, printing the consultation response document, and of working with an IT supplier to place all of the consultation responses on the Scotland Office website came to £7768.78 in total. There were no additional costs incurred when undertaking the consultation as all analysis of the responses was undertaken by civil servants within the Scotland Office, as is common practice for Government consultations.

Eligibility to vote in the referendum

As part of the agreement reached between the UK Government and Scottish Government on the referendum, it was agreed that the all those entitled to vote in the Scottish Parliament elections should be able to vote in the referendum; in addition the Scottish Government propose extending the franchise to 16 and 17 year olds. The Scottish Parliamentary franchise enables British, Irish, qualifying Commonwealth citizens and European Union citizens resident in Scotland to vote.

As for all other referendums, the referendum bill will set out the franchise for the referendum: it will be for the Scottish Government to propose the franchise for the referendum, and for the Scottish Parliament to approve it.

The Committee raised particular questions on the details of voting arrangements for members of the Armed Forces, specifically, whether Scottish members of the Armed Forces would be able to vote in the referendum for independence under the current arrangements.

Members of HM Forces and their spouses or civil partners are entitled to vote in UK Parliamentary and other elections providing that they have registered to vote, either as an ordinary elector or by means of a service declaration.

A Service person registered as an ordinary elector can register at their permanent address, which could be a private address or other qualifying address such as Service accommodation. For example: a member of the Royal Regiment of Scotland who is registered at an address in Scotland would be entitled to vote in Scottish Parliament elections even if they were stationed elsewhere in the UK or overseas.

A Service person registered by means of a service declaration, can use a qualifying address. This means that they can use an address where they are resident in the UK, an address in the UK where they would be living if they were not in the Services or a UK address where they have lived in the past. Therefore, a member of the Royal Regiment of Scotland currently resident in England but with a qualifying address in Scotland would be able to vote in Scottish Parliament elections and therefore qualify to vote in the referendum.
The Government encourages members of the Armed Forces to register to vote, but the way in which they choose to register is a personal choice and it is for each person to decide themselves on the option that best suits their circumstances and wishes.

The Electoral Commission and the Ministry of Defence run an annual electoral registration campaign to inform personnel and their families in units around the world about voting matters.

**MoD response to the Committee's report on Trident**

You sought confirmation of the Ministry of Defence’s plans to respond to your Committee’s report on Trident. As I made clear during the evidence session the Ministry of Defence has noted the Committee’s report and has confirmed that it will issue a response in due course, in line with requirements for responses to Select Committees.

**Copies of relevant submissions**

Finally, I committed to ensuring that the Scottish Affairs Committee is sighted on submissions from the UK Government to other UK Parliament committees who are also considering matters relating to the referendum and independence debate; I can confirm that my Office will continue to share information with your Committee.

*November 2012*
Written evidence submitted by the Scottish Public Pensions Agency

Purpose

1. This paper provides the Scottish Affairs Committee with summary detail on the operation and financing of those public service pensions for which Scottish Ministers have various responsibilities. It forms part of the Agency’s response to the request to provide evidence to the committee on 6 February, 2013.

Overview

2. Occupational pensions policy is primarily a reserved matter. Though the Scottish Government does have full legislative competence for pension schemes for six NDPBs and for the pensions of a small number devolved judicial office holders, in total those arrangements cater for less than 1% of those engaged in devolved activities.

3. Scottish Ministers have executive competence for:
   - the Local Government, Police and Firefighters’ schemes in Scotland – though Scottish regulations must comply with UK primary legislation, such as the forthcoming 2013 Public Service Pensions Act;
   - the NHS & Teachers’ schemes in Scotland - though not only must regulations comply with UK primary legislation, the UK Government also exercises tight financial control over these schemes, which are funded through HM Treasury controlled Annually Managed Expenditure.

4. Pensions for Civil Servants, Armed Forces personnel, the vast majority of the judiciary and for other NDPBs are reserved to Westminster.

5. The reserved nature of pensions policy means that the UK Government dictates the terms and financial management of public service pensions in Scotland. As well as a mixture of legislative and financial constraints, changes in UK Government policy which affect the financing of its public service schemes can also have Barnett consequential impacts for the Scottish Budget.

6. All of the schemes in Scotland are Defined Benefit and are either: funded schemes, which are backed by dedicated pension funds; or ‘unfunded’/Pay As You Go (PAYG) schemes, where current pensions are paid for out of current employer and employee contributions, with in-year cash flow surpluses accruing to and deficits being funded out of wider government income. Of the five main schemes Scottish Ministers have responsibility for, those for the NHS, teachers, police officers and fire-fighters are all PAYG schemes, whilst the local government scheme is funded. Conversely, of the six NDPB schemes under Scottish Ministers’ control (see Annex B), only the Scottish Legal Aid Board is PAYG – the rest are funded.

7. Annex A summarises the main characteristics of these schemes.

Issues the committee intends to consider

8. The Committee has also asked for evidence on what effect Scotland leaving the UK could have on public service pensions. As civil servants it would not be appropriate for us to speculate on the policy choices that the Scottish Parliament might make under any future constitutional scenario.
9. However, as the committee is aware, on 15 October 2012, the Prime Minister and First Minister signed the Edinburgh Agreement that paved the way to Scotland’s referendum on independence. Under Article 30 of the Edinburgh Agreement the UK and Scottish Governments are committed to continue to work together constructively in the light of the outcome of the referendum, whatever it is, in the best interests of the people of Scotland and of the rest of the United Kingdom.

10. The Scottish Government has today published a paper which includes proposals for the process for Scotland to make the transition to independence, which can be accessed via the Scottish Government’s website at:

   http://www.scotland.gov.uk/News/Releases/2013/02/transition-paper05022013

11. The Scottish Government will seek to work with the UK Government to ensure an orderly transition – and develop arrangements which will continue to fully safeguard pensions already being paid as well as the pension benefits that public service workers continue to accrue.

12. It would clearly be for a future Scottish Government to consider the future terms, design and financing of public service pensions in an independent Scotland.
## ANNEX A – KEY FACTS

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Competence</th>
<th>Financing</th>
<th>2011/12¹</th>
<th>Membership²</th>
<th>Contribution Rates³ (% of pens. pay)</th>
<th>Contributions (£m)</th>
<th>Pensions Paid (£m)</th>
<th>Est. Liability (£bn)</th>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employer</td>
<td>Employee</td>
<td>Employer</td>
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<td></td>
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<td>Employer</td>
<td>Employee</td>
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<tr>
<td>LGPS</td>
<td>Executively devolved</td>
<td>Funded scheme supported by payments under Scottish DEL</td>
<td></td>
<td>Active 218,232</td>
<td>16.6% - 20.5% Tiered 5.5% - 12%</td>
<td>958.00</td>
<td>276.00</td>
<td>967.00</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Deferred 100,924</td>
<td>139,085</td>
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<td>NHS</td>
<td>Executively devolved</td>
<td>Unfunded (Pay As You Go) supported via AME</td>
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<td>Active 162,376</td>
<td>13.5% Tiered 5% - 8.5%</td>
<td>603.00</td>
<td>296.10</td>
<td>856.00</td>
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<td></td>
<td></td>
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<td></td>
<td>Deferred 53,812</td>
<td>80,501</td>
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<td>Teachers</td>
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<td>Unfunded (Pay As You Go) supported via AME</td>
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<td>Active 80,260</td>
<td>14.9% 6.4%</td>
<td>352.30</td>
<td>151.30</td>
<td>930.70</td>
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<td>Deferred 13,854</td>
<td>60,216</td>
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<td>Executively devolved</td>
<td>Unfunded (Pay As You Go) supported by payments under Scottish DEL</td>
<td></td>
<td>Active 17,596</td>
<td>24.7% Pre 2006 scheme 11% Post 2006 scheme 9.5%</td>
<td>151.97</td>
<td>65.44</td>
<td>302.54</td>
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<td></td>
<td></td>
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<td></td>
<td>Deferred 1,942</td>
<td>14,626</td>
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<td>Firefighters</td>
<td>Executively devolved</td>
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<td>Active 3,397</td>
<td>Pre 2006 scheme 21.8% Post 2006 scheme 11.5%</td>
<td>28.21</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<td>Pensioner 2,778</td>
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<td>Scottish</td>
<td>Full legislative powers</td>
<td>Mixture of PAYG and funded, supported by payments under Scottish DEL</td>
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<td>Various</td>
<td>Various</td>
<td>20.73</td>
<td>5.26</td>
<td>19.67</td>
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<td>NDPBs</td>
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</tr>
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¹ Local Government figures are for 2010/11 and are taken from published local financial returns. 2011/12 LFRs will be published by the end of February, 2013.
² Source 2011/12 accounts, with the exception of figures for deferred membership for the Police and Firefighters’ schemes, which uses previous year’s information, because that information is held locally and 2011/12 figures are not currently available to the Scottish Government and for NDPB schemes, which are similarly not available.
³ For consistency, employee contribution rates are for 2011/12 so pre-date April 2012 increases averaging 1.28% of pensionable pay for NHS, teachers, police and fire.
⁴ Rates exclude additional payments made by employers for each ill health retirement.
## ANNEX B – DEVOLVED NDPB SCHEMES

<table>
<thead>
<tr>
<th>Public Body</th>
<th>Pension Scheme</th>
<th>Financial model</th>
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<tbody>
<tr>
<td>Highlands &amp; Islands Enterprise</td>
<td>Highlands &amp; Islands Superannuation Scheme</td>
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<td>Scottish Enterprise</td>
<td>Scottish Enterprise Pension &amp; Life Assurance Scheme</td>
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</tr>
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<td>CalMac Pension Fund</td>
<td>Funded</td>
</tr>
<tr>
<td>Caledonian Maritime Assets Ltd</td>
<td>CalMac Pension Fund</td>
<td>Funded</td>
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<tr>
<td>Scottish Legal Aid Board</td>
<td>Legal Aid Scotland Pension Scheme</td>
<td>PAYG</td>
</tr>
<tr>
<td>Highlands &amp; Islands Airport Ltd</td>
<td>Highlands &amp; Islands Airport Pension Scheme</td>
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5 February 2013