



House of Commons

Committees on Impact of the
closure of City Link on
Employment

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**First Joint Report of the
Business, Innovation and Skills and
Scottish Affairs Committees
of Session 2014–15**

Twelfth Report of the Business, Innovation and Skills Committee
of Session 2014-15

Fifth Report of the Scottish Affairs Committee of Session 2014-15



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*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
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Business, Innovation and Skills Committee

The Business, Innovation and Skills Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Business, Innovation and Skills.

Current membership

[Mr Adrian Bailey MP](#) (Labour, West Bromwich West) (Chair)

[Mr William Bain MP](#) (Labour, Glasgow North East)

[Mr Brian Binley MP](#) (Conservative, Northampton South)

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[Luciana Berger MP](#) (Labour, Liverpool, Wavertree)

[Jack Dromey MP](#) (Labour, Birmingham, Erdington)

[Julie Elliott MP](#) (Labour, Sunderland Central)

[Margot James MP](#) (Conservative, Stourbridge)

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[Mr David Ward MP](#) (Liberal Democrat, Bradford East)

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The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publications

Committee reports are published on the Committee's website at www.parliament.uk/bis and by The Stationery Office by Order of the House.

Committee staff

The current staff of the Committee are James Davies (Clerk), Jessica Montgomery (Second Clerk), Peter Stam (Committee Specialist), Josephine Willows (Committee Specialist), Sonia Draper (Senior Committee Assistant), and Pam Morris (Committee Assistant).

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The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

Current membership

[Mr Ian Davidson MP](#) (*Labour/Co-op, Glasgow South West*) (Chair)
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[Jim McGovern MP](#) (*Labour, Dundee West*)
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[Mr Alan Reid MP](#) (*Liberal Democrat, Argyll and Bute*)
[Dr Eilidh Whiteford MP](#) (*Scottish National Party, Banff and Buchan*)

The following members were also members of the committee during the Parliament:

[Fiona Bruce MP](#) (*Conservative, Congleton*)
[Mike Freer MP](#) (*Conservative, Finchley and Golders Green*)
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[Julian Smith MP](#) (*Conservative, Skipton and Ripon*)

Powers

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Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at www.parliament.uk/scotaffcom. A list of Reports of the Committee in the present parliament is at the back of this volume.

Committee staff

The current staff of the Committee are Rebecca Davies (Clerk), Jyoti Chandola (Clerk), Phil Jones (Second Clerk), Alasdair Mackenzie (Committee Specialist), Helena Ali (Senior Committee Assistant) and Annabel Goddard (Committee Assistant).

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Conclusions and recommendations

Could City Link have been saved?

1. We recognise that there were differences of opinion as to whether or not City Link could be made viable and the desired level of return could be achieved. Thus we do not underestimate the difficulties of the decisions Better Capital were faced with when the final version of the turnaround plan and the investment request were presented to them. As an investment fund they clearly have a responsibility to their investors. However, it is a matter of regret that Better Capital felt that those interests could only be protected at the expense of the future of City Link and continued employment for its workers. (Paragraph 24)

Communication with staff and contractors

2. *We urge the Government to support dialogue between unions, employers and insolvency professionals to develop best practice guidance for sharing information with employees and unions when an administration order is likely.* (Paragraph 33)
3. While in the immediate aftermath of an administration order being granted, individual staff and creditors are given information on their situation and how to make a claim, there is a lack of information about the situation as a whole that allows misunderstanding and rumour to gain traction. (Paragraph 34)
4. *We recommend that the Government works with insolvency professionals to agree a format for a short initial statement, to be made publically available no later than a week after an administration order has been made, which sets out a high-level summary of the events leading up to the administration. This statement should also include the details of i) who to contact with concerns over the conduct of company directors and evidence to support those concerns, ii) when the last payment to staff and suppliers was made and the period it covered, and iii) an early assessment of whether there would be any funds available to make a payment to unsecured creditors (excepting the prescribed part).* (Paragraph 35)
5. It is clearly in the financial interest of a company to break the law and dispense with the statutory redundancy consultation period if the fine for doing so is less than the cost of continuing to trade for the consultation period and this fine is paid by the taxpayer. However, while the financial calculation is simple, ignoring the consultation period has a high human cost that appears not to have featured in the decision making process. Employees are denied a reasonable notice period in which to seek alternative employment and instead, at a time of financial uncertainty, must pursue a court claim for lack of consultation if they wish to be compensated. (Paragraph 41)
6. We are greatly concerned that the existing system incentivises companies to break the law on consultation with employees. (Paragraph 42)
7. Once a company has gone into administration, it is likely to be the case that they will be, or will be about to become, insolvent and the administrator will not have the

option to allow the company to continue to trade for the consultation period. (Paragraph 43)

8. *When considering the consultation period in relation to a redundancy, company directors may feel they have competing duties. We recommend that the Government review and clarify the requirements for consultation on redundancies during an administration so that employees understand what they can expect and company directors and insolvency professionals have a clear understanding of their responsibility to employees.* (Paragraph 44)
9. *We commend Ernst and Young for using a range of communication tools, including social media, to try and assist former City Link workers with job searches. However, we are concerned that the current practice of sending leaflets on support available (PACE, ReActII or Jobcentre Plus, depending on the location) through the post does not appear to be particularly effective. Information on support for employees and contractors should be provided through a range of methods to ensure that all those affected are aware of the help available to them. We are concerned that data protection legislation appeared to block PACE from being able to contact workers impacted by the City Link closure. We are certain that this was not the intention of the legislation and recommend this situation should be re-examined.* (Paragraph 49)
10. *We recommend that the Government review the arrangements for information sharing in the event of a company going into administration to ensure that those affected receive timely advice and support. The Government should consider whether Government agencies should have a role in contacting affected workers directly to advise them of the help available.* (Paragraph 50)

Payment of creditors

11. While we welcome the fact that the UK Government ensures that employees can claim the money they are owed if their employer goes into administration, it is a matter of great concern that, under current legislation, taxpayers are left to pick up the bill, allowing private investors to recover more of their investment. (Paragraph 56)
12. This lack of clarity over payment of money owing to employees added an element of uncertainty at an already stressful time. As with the examples above relating to the provision of information about support for employees, this added uncertainty created unnecessary worry and upset for staff. (Paragraph 58)
13. We are dismayed that, although it was clear for some time there were serious questions over the ability of City Link to continue trading after December 2014, small businesses and self-employed drivers working for City Link were encouraged to take on additional costs despite a strong possibility that they would not receive payment for a significant part of their work in December. The additional work undertaken by these people has left some of them in serious financial difficulties, with some small firms forced into administration themselves or relying on goodwill from their own creditors to struggle on. Again, there is no doubt that contractors were deliberately deceived as to the true state of the business. City Link and Better

Capital are morally, if not legally, responsible for the difficulties that many of these individuals and small business now find themselves in. (Paragraph 62)

14. *We welcome the review initiated by the Secretary of State for Business, Innovation and Skills into how to tackle the problem of bogus self-employment. The incoming Government should bring forward proposals for tackling companies who use or encourage this practice. We reiterate the call in Zero hours contracts in Scotland: Interim Report for the Government to set out what steps it is taking to prevent workers from being pushed into bogus self-employment. (Paragraph 69)*
15. *We accept that there will always be those who lose out when a company goes into administration and cannot cover all of its debts. We do not agree, however, that the current system, where those who have given secure credit to a company are cushioned from the full impact of an insolvency because of the losses borne by those who work for a company on a self-employed basis, or as contractors or suppliers, represents the appropriate balance. (Paragraph 72)*
16. *Any change to the priority order for creditor repayments should be carefully considered to avoid unintended consequences and balance protection for workers with the need for companies to attract credit and investors. However, the current order of payments does not reflect modern employment practices. We recommend that the Government updates the order of payments in the Insolvency Act 1986 to give preference to all of a company's workers, regardless of whether or not they are directly employed and that consideration is given as to how best to deal with employees and small sub-contractors and suppliers. (Paragraph 74)*

1 Introduction

1. At 7pm on 24 December 2014, courier company City Link was placed into administration following several years of losses and falling revenue. For many of the 2,727 staff and approximately 1000 contractors who worked for City Link, the first confirmation that their jobs and livelihoods were at risk came from reports in the media on Christmas day.

Our Inquiry

2. The Scottish Affairs Committee, together with Margaret Curran MP and Ann McKechin MP, held an informal meeting with employees, contractors and union representatives in Glasgow in early January to hear from those directly affected by the closure of City Link. Following this meeting, the Scottish Affairs Committee agreed to hold an inquiry into the *Impact of the closure of City Link*. The Scottish Affairs Committee held an evidence session with the RMT on 13 January 2015.¹ As a result of the interest and expertise of members of the Business, Innovation and Skills Committee, it was agreed that all subsequent evidence sessions would be joint hearings between the two Committees.

3. On 17 February 2014, Ernst and Young, the administrators for City Link, published the *Administrators' statement of Proposals* setting out the background to the administration, future actions of the administrators and information on repayment of creditors.² The administrators are also required, by the Company Directors Disqualification Act 1986, to report to the Department for Business, Innovation and Skills on the conduct of the directors of City Link within six months from the administrator's appointment. This report is due by 24 June 2015. The Department will then decide whether further investigation or action is required.

4. Our inquiry is not intended to duplicate this work. Instead, we have focused on the key issues raised in our early meetings with those affected—what impact did the closure of City Link have on employees and contractors, are current safeguards for workers sufficient and was information about the administration communicated effectively to employees?

5. This inquiry has also been informed by the previous work of the Scottish Affairs Committee on issues relating to employment and employee rights, notably the Scottish Affairs Committee *Zero hours contracts in Scotland: Interim Report*.³ Our inquiry into the closure of City Link has raised similar questions about the use of alternatives to permanent, guaranteed-hours contracts (for example self-employment and zero-hours contracts), to strip protection from employees without offering anything in return.

6. The Business, Innovation and Skills Committee have previously inquired into the work of the Insolvency Service, including looking at pre-pack administrations and reforms to the

1 Oral evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-2015) 928

2 Ernst & Young LLP, *City Link Limited and City Link (Properties) No. 1 Limited (Both in Administration) (together "the Companies") Administrators' statement of Proposals*, 17 February 2015

3 Scottish Affairs Committee, Tenth Report of Session 2013-14, *Zero hours contracts in Scotland: Interim Report*, HC 654

regulations for insolvency practitioners. Both topics are addressed in the 2013 Business, Innovation and Skills Committee report, *The Insolvency Service*.⁴

Background

City Link

7. City Link was a courier company offering a range of courier services for individuals and businesses, including next day and international delivery. From 2008 onwards, City Link made a loss and (with the exception of 2012) revenue fell each year until it went into administration. At the time of going into administration, City Link employed 165 staff in Scotland, split between Aberdeen, Edinburgh, Glasgow, Glenrothes and Motherwell. City Link had 90 staff in Wales, 23 in Northern Ireland and 2449 in England.

8. City Link was founded in 1969. Originally owned by British Rail subsidiary, Red Star Parcels, it was sold to Securiguard in 1989, which was in turn bought by Rentokil Initial in 1993. Better Capital bought City Link in April 2013. A franchise model was adopted in 1980, but in 2005 Rentokil Initial announced that they would buy back all the franchises. This process was completed in 2008, the same year that Rentokil Initial completed the acquisition of rival courier company Target Express.

9. Former City Link Chief Executive, David Smith, dates a number of the problems encountered by City Link to this period. He told us that:

the consolidation of the two businesses did not go well, and, in fact, the business never made a profit in its entire time from 2007. I joined the business at the end of 2011. [...] It was always a business in distress.⁵

10. Mr Smith went on to list three major problems, dating from the acquisition of Target Express, which led to the failure of City Link. He stated that problems with the integration of the two companies' IT systems and long-term IT underinvestment, outdated operational processes, and the terms of the commercial contracts that City Link had entered into between 2010 and 2011, had all contributed to City Link's ongoing losses and falling revenue.⁶

Better Capital

11. Better Capital is an investment vehicle which was founded by Jon Moulton in 2009. It specialises in the turnaround of underperforming businesses. In April 2013, Better Capital bought City Link from Rentokil Initial for £1, promising an investment of £40million. Jon Moulton, founder of Better Capital, told us that Better Capital had considered the City Link investment for longer than most of their investments because:

It was a very challenging deal. The company had lost somewhere in excess of £300 million for its prior owners, so it was clearly a very frightening sort of

4 Business, Innovation and Skills Committee, Sixth Report of Session 2012-13, *The Insolvency Service*, HC 675

5 Q 578

6 As above

company. We had to believe there was a way forward to cut costs and improve systems and processes to get it to be a profitable company and an investment worth having for our shareholders.⁷

12. Despite initial optimism from Mr Moulton at the time of the acquisition that City Link was “improving actually quite rapidly”,⁸ by 2014, the *Better Capital Interim Financial Report* stated that City Link was a “significant concern”.⁹

Insolvency and administration

13. The key piece of legislation governing insolvency and administration is the Insolvency Act 1986. Among other things, this Act sets out the order in which creditors must be paid, the obligations of an administrator and the duty of an administrator to act in the best interests of the body of creditors as a whole. The Company Directors Disqualification Act 1986 requires administrators to report on the conduct of a company’s directors within six months from the administrator’s appointment.

14. The position of employees during insolvencies is also governed by the Employment Rights Act 1996 and the Trade Union and Labour Relations (Consolidation Act) 1992. The Employment Rights Act provides for certain payments to be made to employees from the National Insurance Fund to ensure that employees can receive some of the money they are owed swiftly. The Trade Union and Labour Relations (Consolidation) Act 1992 does not deal specifically with insolvency but does contain provisions for employers to consult on collective redundancies affecting 20 or more employees.

Order of payment

15. One area of great concern to those affected by the closure of City Link, in particular small sub-contractors or sole traders providing drivers for City Link, was the hierarchy of creditors which governs the order in which they must be paid. This is set out in the Insolvency Act 1986. The hierarchy for payment and an explanation of the categories is set out in the Annex.

7 Q 103

8 [Turnaround specialist Jon Moulton aims to deliver the goods with City Link](#), *The Telegraph*, 5 May 2013

9 Better Capital PCC Limited, [Better Capital Interim Financial Report 2014](#), November 2014, p 40

2 Could City Link have been saved?

16. KPMG were appointed on 13 October 2014 to examine strategic options for the future of City Link as a going concern.¹⁰ At the same time, a turnaround plan was being developed by City Link management. The turnaround plan involved restructuring City Link as a business to business (B2B) provider.

17. A number of options for consideration were identified by KPMG including selling City Link, acquiring additional companies to add scale to the business, a Company Voluntary Arrangement (CVA) and the management turnaround plan. The ten initial options were narrowed down to two final options—the turnaround plan and selling City Link.

Potential sale

18. KPMG identified 17 parties who could potentially have had an interest in acquiring City Link. David Smith told us that there followed “a very extensive review of potential credible buyers.”¹¹ Negotiations advanced to the point of entering into a period of exclusivity with one potential buyer, but this lapsed on 14 November 2014, and the buyer confirmed their intention not to proceed. While it appears that negotiations with some of the 17 potential buyers continued after this date, the last remaining potential buyer had withdrawn from negotiations by 22 December 2014.¹²

Turnaround plan

19. At the same time as work to find a buyer for City Link was ongoing, the company’s senior management were working on a turnaround plan. David Smith told us that an initial request for further funding of £25million as part of a plan for securing the future of City Link was presented to Better Capital in August 2014, and Better Capital asked the management of City Link to “continue to progress” the plan.¹³

20. The *Administrators’ statement of Proposals* notes that, from 14 November 2014 onwards, “management further developed the Turnaround Plan which involved a lower volume, higher margin business model.”¹⁴ Further formal updates were provided for Better Capital on 21 and 28 November, with a final presentation and investment request presented on 19 December 2014.¹⁵

21. David Smith told us that, up until their final rejection of the turnaround plan on 22 December, City Link management believed they had the support of Better Capital for the plan. He said that a letter from Better Capital on 30 September 2014, which stated that it

10 Ernst & Young LLP, *City Link Limited and City Link (Properties) No. 1 Limited (Both in Administration) (together “the Companies”) Administrators’ statement of Proposals*, 17 February 2015, p 3-4

11 Q 590

12 Q 179

13 Q 642

14 Ernst & Young LLP, *City Link Limited and City Link (Properties) No. 1 Limited (Both in Administration) (together “the Companies”) Administrators’ statement of Proposals*, 17 February 2015, p 4

15 As above

was “currently [Better Capital’s] firm intention to provide finance [...] sufficient to enable [City Link] to continue as a going concern for the next 12 months” gave the board of City Link a “greater level of comfort.”¹⁶

He went on to tell us that:

We took comfort from the fact that we had presented to them in August and asked for a further £25 million, and they had asked us to continue to progress that plan. [...] Better Capital continued to write of their continued support as late as 3 December, when we received a similar comfort letter from them, having presented to them on 28 November. We continued to believe that Better were going to support us[...].¹⁷

22. Although the evidence from both David Smith and Jon Moulton acknowledged the great difficulties City Link faced in trying to turn its fortunes around and return to profitability, there appears to be a disagreement over whether the closure was inevitable or whether further investment would have secured the future of City Link. Jon Moulton told us that, although it was a matter of regret, he viewed the closure of City Link as inevitable and that Better Capital :

tried every which way to avoid it being an end, because it is in our economic and, believe it or not, our social desires, too, to make sure that the company survives if it possibly can. It is our business. We do turnarounds.¹⁸

23. In contrast, David Smith told us, when asked if City Link could have been saved, that:

My belief is that, yes, it could, but my belief is also that the return on investment that Better would look for as a private equity house would have been lower than they would have normally anticipated, so I can understand why they made the decision they made.”¹⁹

24. We recognise that there were differences of opinion as to whether or not City Link could be made viable and the desired level of return could be achieved. Thus we do not underestimate the difficulties of the decisions Better Capital were faced with when the final version of the turnaround plan and the investment request were presented to them. As an investment fund they clearly have a responsibility to their investors. However, it is a matter of regret that Better Capital felt that those interests could only be protected at the expense of the future of City Link and continued employment for its workers.

16 Written evidence from Mr J Moulton, Better Capital (CCL0003) [not printed]

17 Q 642

18 Q 178

19 Q 812

3 Communication with staff and contractors

25. City Link went into administration at 7pm on 24 December 2014. Jon Moulton suggested that the timing was because the RMT “jumped the gun” and put out information earlier that day to say that City Link was already in administration.²⁰ The RMT acknowledge that they had contacted their members and the media on 24 December, but suggested that this was a result of a lack of information and communication from City Link. Steve Hedley, Assistant General Secretary, RMT, told us that:

[City Link] were just stonewalling us. They said they had no plans to do that [go into administration], but then we found out when we put it in the media. [...] At that time we did not even know who the administrators were, so it was impossible to ask them the question directly before it went into the media.²¹

26. When asked about the chaotic way in which staff and suppliers discovered that City Link had gone into administration, Jon Moulton told us that: “that there were very extensive plans carefully laid out. All the contingencies were covered. They did not survive contact with Christmas day.”²²

27. Hunter Kelly, lead administrator for City Link, expanded on this in his evidence, telling us that the original plan had been to put City Link into administration on 26 December. He said that:

The plan I had in place was that, when the company returned from the holiday on Christmas day, employees would be notified of the insolvency on Boxing Day with a phased approach. [...] We would have been able to disseminate information. The normal basis on which the company disseminated information would be via senior management and down into their respective teams.²³

28. All our witnesses acknowledged that the way that workers found about the administration on Christmas Day was unacceptable. The RMT were also critical that City Link continued to trade after the decision to go into administration was made on 22 December. Steve Hedley told the Committee that:

on 22 December they [City Link] had taken the final decision [...]; they were going into administration. Two days later, on the 24th, they were still

20 Q 248

21 Oral evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-15) 928, Q 34

22 Q 257

23 Q 496

denying they had done this and saying they had no plans to go into administration and no plans to lay people off. They did know it.²⁴

Hunter Kelly told us that, on 22 December, when it became clear that City Link was going to go into administration, he took the view that formally putting City Link into administration on 26 December “would represent the best recovery for the creditors.”²⁵

29. David Smith clarified the reasoning behind continuing to trade after 22 December and not informing staff that a decision had been taken, telling us that:

for the creditors as a body the best answer—a better answer than to tell them on the 22nd, “You’re out of a job and you’re leaving today”—was to trade through until close on the 24th. The reason for that was, first, we had paid them that money; and, secondly, we also brought in income of about £3.4 million in the same time period. We would not have done either of those two things, so in the round those creditors would have actually been in a worse position than they were afterwards.²⁶

30. In the period leading up to 22nd December, it is clear that the strong assurances given by Mr Smith to contractors and suppliers failed to reflect the seriousness of the company's financial position, of which Mr Smith would have been well aware.

31. From 22nd December, the company took a deliberate decision not to inform employees and contractors as to the true intentions and position of the company, and this was done for the financial benefit of City Link and Better Capital. This amounts to a deliberate deception by omission.

32. It is also clear to us that employees and contractors feel they were deliberately deceived by the company in the weeks and months leading up to the closure of City Link.

33. In the absence of any firm information, and with rumours about the future of City Link swirling, it is clear that the RMT felt it needed to act in the interest of its members. The lack of clear and timely information for staff and contractors made an already difficult situation worse. *We urge the Government to support dialogue between unions, employers and insolvency professionals to develop best practice guidance for sharing information with employees and unions when an administration order is likely.*

34. **While in the immediate aftermath of an administration order being granted, individual staff and creditors are given information on their situation and how to make a claim, there is a lack of information about the situation as a whole that allows misunderstanding and rumour to gain traction.**

35. *We recommend that the Government works with insolvency professionals to agree a format for a short initial statement, to be made publically available no later than a week after an administration order has been made, which sets out a high-level summary of the events leading up to the administration. This statement should also include the details of*

24 Q 39

25 Q 496

26 Q 780

i) who to contact with concerns over the conduct of company directors and evidence to support those concerns, ii) when the last payment to staff and suppliers was made and the period it covered, and iii) an early assessment of whether there would be any funds available to make a payment to unsecured creditors (excepting the prescribed part).

Consultation period

36. When a company intends to make more than 20 staff redundant there is a statutory period for consultation of not less than 30 days for redundancies affecting between 20-99 staff and not less than 45 days for redundancies affecting 100 staff or more. This did not happen in the case of City Link.

37. The RMT told us that they believed that the consultation process should have started in November, saying:

They [Ernst and Young] were preparing contingency plans from November. Surely at that point they should either have made the thing public, in which case it would have given more prospective buyers time to come forward, or at least given the Government bodies and the union time to consult properly with their members and represent their interests. None of this was done.²⁷

38. Jon Moulton suggested that a consultation period was not appropriate in situations where redundancies were a consequence of a company going into administration. He suggested that: “The purpose of the consultation period was consultation. These are circumstances where no consultation is reasonably possible.”²⁸

39. David Smith raised another consideration, telling us that, due to the loss City Link was making, it would have been less costly to pay a fine for non-consultation than to keep the business going during the potential consultation period. Mr Smith also raised the difficulty faced by company directors in the event of an administration in trying to balance their responsibility to a company’s staff and their responsibility to a company’s creditors. He told us that:

there is a clear challenge for us as directors when you get to the position of potential insolvency and consultation with staff. [...] In the period post-22 December our responsibilities as directors switched quite markedly towards the body of creditors in the round, rather than in normal times when our normal duty would be consultation with the staff. [...] I think something for the Committee to look at and consider is the interplay between normal consultation and how that changes when you go into an insolvency or administration world. As a director, it is very clear that the two are pulling you in different directions, potentially.²⁹

40. The RMT suggested that the cost of not consulting on redundancies in the case of administration is not a consideration for companies, because those costs are met by the

27 Oral evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-15) 928, Q 5 [Mr Hedley]

28 Q 221

29 Q 835

taxpayer and not the company itself. Mick Cash, General Secretary, RMT, told us that “they deliberately flouted that [the consultation period]. They can do that, because you and I as taxpayers pick up the tab for the Insolvency Service. It is absolutely disgraceful.”³⁰

41. It is clearly in the financial interest of a company to break the law and dispense with the statutory redundancy consultation period if the fine for doing so is less than the cost of continuing to trade for the consultation period and this fine is paid by the taxpayer. However, while the financial calculation is simple, ignoring the consultation period has a high human cost that appears not to have featured in the decision making process. Employees are denied a reasonable notice period in which to seek alternative employment and instead, at a time of financial uncertainty, must pursue a court claim for lack of consultation if they wish to be compensated.

42. We are greatly concerned that the existing system incentivises companies to break the law on consultation with employees.

43. Once a company has gone into administration, it is likely to be the case that they will be, or will be about to become, insolvent and the administrator will not have the option to allow the company to continue to trade for the consultation period.

44. When considering the consultation period in relation to a redundancy, company directors may feel they have competing duties. We recommend that the Government review and clarify the requirements for consultation on redundancies during an administration so that employees understand what they can expect and company directors and insolvency professionals have a clear understanding of their responsibility to employees.

Support for employees and contractors

45. In the case of an administration, information for employees is provided by the Insolvency Service, with payments made by the Government through the Redundancy Payments Service. Employees can access support for finding new employment through the Jobcentre Plus in England, the Redundancy Action Scheme II (ReAct II) in Wales and Partnership for Continuing Employment (PACE) in Scotland. Insolvency practitioners also have a role to play as information is distributed by the administrator.

46. In order for these parties to be able to coordinate their response and provide timely support where numerous redundancies are expected a protocol exists between insolvency practitioners, the Insolvency Service and the Redundancy Payments Service. Hunter Kelly told us that this protocol:

is to give advance notice that there could be an insolvency involving substantial numbers of people, so that people can get geared up and get their minds around the number of leaflets and forms that are needed. In the event that insolvency does happen, things can then be dealt with swiftly and

promptly so that there is no unnecessary delay, particularly for the employees.³¹

47. The RMT argued that the protocol had not worked in this case. They described the provision of support for employees as “very patchy”, saying “a lot of members did not receive the PACE documents.”³² Some former employees suggested that not only had they not received information on PACE (the Scottish Government’s redundancy support service) but that some staff had not received their RP1 form to claim their redundancy payments.³³

48. Hunter Kelly disputed this and told us that all staff had received an RP1 form and that original copies of the leaflets (PACE leaflets for Scotland, ReAct II for Wales and Jobcentre Plus for England) were included in the envelope with it when the forms were sent to employees.³⁴ He also told us that Ernst and Young set up a Facebook page to inform City Link employees of job vacancies in their local areas.³⁵

49. We commend Ernst and Young for using a range of communication tools, including social media, to try and assist former City Link workers with job searches. However, we are concerned that the current practice of sending leaflets on support available (PACE, ReActII or Jobcentre Plus, depending on the location) through the post does not appear to be particularly effective. Information on support for employees and contractors should be provided through a range of methods to ensure that all those affected are aware of the help available to them. We are concerned that data protection legislation appeared to block PACE from being able to contact workers impacted by the City Link closure. We are certain that this was not the intention of the legislation and recommend this situation should be re-examined

31 Q 472

32 Oral evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-15) 928, Q 49

33 Members of the Scottish Affairs Committee, Ann McKeichin MP and Margaret Curran MP met informally with workers, contractors and union representatives in Glasgow on 13 January 2015.

34 Q 514

35 Q 515

50. We recommend that the Government review the arrangements for information sharing in the event of a company going into administration to ensure that those affected receive timely advice and support. The Government should consider whether Government agencies should have a role in contacting affected workers directly to advise them of the help available.

4 Payment of creditors

51. Ernst and Young have now published the *Administrators' statement of Proposals*, which includes a section on City Link assets and the likely distribution of funds to creditors. Apart from a possible recovery of £400,000 from prepayments made by City Link for IT, property and equipment hire contracts, the remaining realisable assets held by City Link is its debtor ledger. Ernst and Young expect to be able to recover about £24 million from the debtor ledger.³⁶

52. Secured creditors are owed a total of £52.7 million. This far exceeds the amount that will be realised from City Link assets. As a result, unsecured creditors will receive no payment beyond a small amount from the 'prescribed part'—in this case £600,000 to be divided between all unsecured creditors.

Payment of staff

53. The Employment Rights Act 1996 provides for the National Insurance Fund to pay wage arrears, unpaid holiday pay and redundancy pay to employees of a company which has become insolvent. Wage arrears are capped at £464 per week for 8 weeks. The National Insurance Fund will then reclaim this money from the company.

54. When a company is liquidated, debts to employees for wage arrears, overtime and holiday pay are treated as a preferential debt. However, while holiday pay is uncapped, the limit for wage arrears to be treated as a preferential debt is £800. Anything owed over this amount is treated as an unsecured debt. In practice, this means that although employees will receive the money they are owed based on the higher limits set out in the Employment Rights Act, the National Insurance Fund is likely to receive only a small part of this payment from the company.

55. The Administrators' statement of Proposals states that the administrators:

Currently believe all outstanding overtime and commission owed to employees has or will be paid in full, with the exception of an estimated 29 employees where their claims exceed the limit for the claims to be treated as preferential creditors in their entirety.³⁷

56. While we welcome the fact that the UK Government ensures that employees can claim the money they are owed if their employer goes into administration, it is a matter of great concern that, under current legislation, taxpayers are left to pick up the bill, allowing private investors to recover more of their investment.

57. While the fact that the majority of employees will receive the full amount that they are owed by City Link is to be welcomed, we know from our discussions with staff that it was

36 Ernst & Young LLP, *City Link Limited and City Link (Properties) No. 1 Limited (Both in Administration) (together "the Companies") Administrators' statement of Proposals*, 17 February 2015, p 16

37 Ernst & Young LLP, *City Link Limited and City Link (Properties) No. 1 Limited (Both in Administration) (together "the Companies") Administrators' statement of Proposals*, 17 February 2015, p 12

not always clear to them that this would be the case. In evidence to the Scottish Affairs Committee, Steve Hedley told us that his understanding, from discussion with Ernst and Young was that all overtime would be paid, while Gordon Martin, Regional Organiser, RMT, told us that, following discussions with City Link depot management, his understanding was that:

the directly employed PAYE staff were struggling to be paid their overtime. While I was with one of the reps, Mick Ward, on 6 January he got a call about overtime. I can't call to mind the exact hours, but he was being told that he was going to be paid a fraction of it—about 20%.³⁸

58. This lack of clarity over payment of money owing to employees added an element of uncertainty at an already stressful time. As with the examples above relating to the provision of information about support for employees, this added uncertainty created unnecessary worry and upset for staff.

Payment of contractors

59. Contractors and sub-contractors providing drivers for City Link have been hit particularly hard by its closure. As unsecured creditors, they are unlikely to receive the vast majority of the money they are owed. The *Administrators' statement of Proposals* notes that they can expect to receive less than two pence to the pound.³⁹

60. During the busy pre-Christmas period, City Link management strongly denied rumours that City Link was going to go into administration. A memo sent by David Smith to his senior management team, for use when talking to suppliers about concerns, gave assurances that City Link was not going to go into administration and would continue to trade.⁴⁰

61. The financial difficulties of City Link contractors were undoubtedly exacerbated by the fact that they had been encouraged to take on additional staff and vehicles and work longer hours in the lead up to Christmas. Gordon Martin told us that, due to assurances from City Link:

people, through the business, went out and bought additional vans to put on the road. This is a human tragedy across the piece. People are thousands of pounds in debt. Who knows how they are going to pay?⁴¹

62. We are dismayed that, although it was clear for some time there were serious questions over the ability of City Link to continue trading after December 2014, small businesses and self-employed drivers working for City Link were encouraged to take on additional costs despite a strong possibility that they would not receive payment for a significant part of their work in December. The additional work undertaken by these

38 Oral evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-15) 928, Q 23 [Mr G Martin]

39 Ernst & Young LLP, *City Link Limited and City Link (Properties) No. 1 Limited (Both in Administration) (together "the Companies") Administrators' statement of Proposals*, 17 February 2015, p 21

40 Q 713

41 Evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-15) 928, Q 28 [Mr G Martin]

people has left some of them in serious financial difficulties, with some small firms forced into administration themselves or relying on goodwill from their own creditors to struggle on. Again, there is no doubt that contractors were deliberately deceived as to the true state of the business. City Link and Better Capital are morally, if not legally, responsible for the difficulties that many of these individuals and small business now find themselves in.

Employment and self-employment

63. The RMT raised the issue of bogus self-employment when they gave evidence to the Committee. Mick Cash told us that City Link’s self-employed drivers were:

tied to the company; they have to wear the uniform and they have to use the company livery on the vehicles. [...] That is the way the market is, unfortunately, but they are employees by any definition, other than the fact that they have an arrangement in place where they seem to be divorced from the company but are employed by it.⁴²

We accept the RMT analysis that this was direct employment in everything but name.

64. When asked about the possibility that the self-employment offered by City Link was actually bogus self-employment, Hunter Kelly told us that he thought that two years ago HMRC took an interest and believed that they were valid subcontractors.⁴³

65. Jon Moulton told us that self-employment could be either “a panacea or a terrible evil” and that for some City Link employees who became self-employed City Link drivers “in some cases it would have been to their benefit, and in some cases it would have been to their detriment: no question”.⁴⁴

66. David Smith echoed the comments about the potential benefits of self-employment. He also refuted claims that workers had been pressured to move from employment to self-employment. He told us that:

in the year to the end of September only 27 people went from being employed to being subcontract partners across the whole country. We were not in the position where we were asking people to do this. We were really struggling with agency drivers—very short-term man and van—where quality and cost was poor. We were trying to recruit both permanent employees and subcontract partners right throughout 2014.⁴⁵

67. We accept that for some people, self-employment and the flexibility and control it offers can be a positive thing. However, as the Scottish Affairs Committee noted in the *Zero hours contracts in Scotland: Interim Report*, workers in bogus-self-employment have few rights—they are not entitled to receive sick pay, holiday pay or the National Minimum

42 Oral evidence taken before the Scottish Affairs Committee on 13 January 2015, HC (2014-15) 928, Q 57

43 Q 569

44 Q 116-117

45 Q 677

Wage and are responsible for their own taxation.⁴⁶ The report considered the difficulties faced by those forced into bogus self-employment and recommended that the Government should set out the steps it was taking to prevent workers from being pushed into bogus self-employment.

68. Giving evidence to the Business, Innovation and Skills Committee, the Secretary of State for Business Innovation and Skills, said:

Before the City Link issue came up, I had initiated a thorough investigation of employment status, which we are now undertaking. [...] there is what appears to be a growing number of people who are not genuinely self-employed but have, in some sense, fallen through the cracks. We are trying at the moment to get a handle on [...] how, at least through legislation, we might address that problem. We certainly acknowledge that it exists. It is a part of this wider debate. [...] I would hope my successor, whoever it is, takes this seriously, because there is a gap.⁴⁷

69. We welcome the review initiated by the Secretary of State for Business, Innovation and Skills into how to tackle the problem of bogus self-employment. The incoming Government should bring forward proposals for tackling companies who use or encourage this practice. We reiterate the call in Zero hours contracts in Scotland: Interim Report for the Government to set out what steps it is taking to prevent workers from being pushed into bogus self-employment.

The Insolvency Act 1986

70. The Insolvency Act 1986 provides some protection to employees of a company which becomes insolvent. However, changes to working practices and an increasing reliance in some sectors on contractors rather than directly employed staff means that this protection no longer covers all those who work for, and rely on, a single company for their income.

71. The Secretary of State for Business, Innovation and Skills suggested that a review of the current legislation could have unintended consequences, saying that he had previously:

opened up discussions in the Department about whether we should be changing our bankruptcy and insolvency procedures to look at preferred creditor status. [...] The problem is if you tilt the balance to one group of creditors it is at the expense of another, and if there is no more money in the company then ultimately there are casualties.⁴⁸

72. We accept that there will always be those who lose out when a company goes into administration and cannot cover all of its debts. We do not agree, however, that the current system, where those who have given secure credit to a company are cushioned

46 Scottish Affairs Committee, Tenth Report of Session 2013-14, *Zero hours contracts in Scotland: Interim Report*, HC 654, para 102

47 Oral evidence taken before the Business, Innovation and Skills Committee on 25 February 2015, HC (2014-15) 934-i 2015, Q 36

48 Oral evidence taken before the Business, Innovation and Skills Committee on 25 February 2015, HC (2014-15) 934-i 2015, Q 32

from the full impact of an insolvency because of the losses borne by those who work for a company on a self-employed basis, or as contractors or suppliers, represents the appropriate balance.

73. Jon Moulton suggested that, without protection for lenders in the case of an insolvency, companies would find it more difficult to get investment. He suggested that, just as “we do not have limited liability companies by accident in the UK; we have limited liability companies so that people will invest in companies”; the rules about secured creditors and creditor repayment were part of the “the rules by which we operate the economy” and a factor that allowed companies to attract investment.⁴⁹

74. Any change to the priority order for creditor repayments should be carefully considered to avoid unintended consequences and balance protection for workers with the need for companies to attract credit and investors. However, the current order of payments does not reflect modern employment practices. We recommend that the Government updates the order of payments in the Insolvency Act 1986 to give preference to all of a company’s workers, regardless of whether or not they are directly employed and that consideration is given as to how best to deal with employees and small sub-contractors and suppliers.

5 Conclusion

75. It is a matter of regret whenever a company goes into administration and people lose their jobs. The example of City Link has made an overwhelming case that improvements should be made to current practices and the legislative framework to help protect the rights of workers, allow for better communication to those affected and to safeguard the taxpayers' interest.

Annex: Order of payment of creditors

The order in which creditors are paid can be complex. Some types of secured creditor will only be paid after certain unsecured debts have been paid. The order of payment is set out in the Insolvency Act 1986:

1) Payments to those creditors with a fixed charge over a specific asset/assets from the proceeds of the sale of that asset. If a loan to a company is secured on particular asset (such as land, machinery or buildings) this is a fixed charge. The charge has to be registered with Companies House. If the debtor company defaults on the loan, the creditor can seize the asset the debt is secured on and sell the asset to repay the loan. The fixed charge holder will get all the proceeds of the sale of the asset they hold a charge over (less the costs of realisation e.g. actually selling the asset).

2) Fees and expenses for the administrators/liquidators. Once any fixed charge creditors have been paid, the expenses and fees of the administrators and liquidators involved will be paid.

3) Preferential debts. Preferential creditors are defined by the Insolvency Act 1986. The Enterprise Act 2002 removed preferential status for the Crown as a creditor (for example money owed to Inland Revenue or Customs and Excise). As a result, the main type of preferential debt is wage arrears. This means that former employees receive the wages they are owed and unpaid holiday pay before floating charge creditors or unsecured creditors up to a cap of £800. Unpaid holiday pay is not capped. Any wages owing to employees that over the cap are treated as unsecured debts. In practice, wage arrears, holiday pay and redundancy payments are all made from the National Insurance Fund so that employees do not have to wait for their payment. A difference cap of 464 per week for 8 weeks applies to payments made from the National Insurance Fund. The Government then reclaims all the money it has paid out on behalf of the employer, although only the £800 capped wages and unpaid holiday pay are treated as preferential debt. The rest of the debt is unsecured and the claim is added to any other claim by unsecured creditors.

4) Prescribed part-payments to unsecured creditors from the sale of assets which have a floating charge on them, up to a maximum of £600,000. Floating charges are discussed below. A floating charge would normally cover all of a company's assets and the creditor would therefore be entitled to all the remaining funds from liquidating a company once creditors in the earlier categories have been paid. To preserve some funds for unsecured creditors a 'prescribed part' is set aside by the administrator or liquidator for the benefit of unsecured creditors. The size of this prescribed part will vary depending on the value of the assets but the maximum amount is £600,000.

5) Payments to creditors who have a floating charge over assets. A floating charge is a type of security but unlike a fixed charge it is not attached to particular assets. A floating charge is a security on all a company's present and future assets. This allows a company to borrow even if they don't have specific fixed assets to offer as security for a loan. A floating charge also means that a company is able to use, buy and sell assets in the ordinary course of business without needing consent from the creditor.

6) Payments to unsecured creditors. In addition to the 'prescribed part' (as above), unsecured creditors will receive further payment if there are funds left after fixed-charge creditors, the administrators, preferential creditors and floating charge creditors have been paid.

7) Payments for interest on debts proven during winding up.

8) Payments to company members under a share redemption contract.

9) Payment of debts to company members who hold preferential rights.

10) Payment of debts to ordinary shareholders.

Formal Minutes

Tuesday 17 March 2015

The Business, Innovation and Skills and Scottish Affairs Committees met concurrently pursuant to Standing Order No. 137A.

Members present:

*Business, Innovation and Skills
Committee*

Scottish Affairs Committee

Mr Adrian Bailey
Katy Clark
Mike Crockart
Caroline Dinenage
Ann McKechin

Mike Crockart
Ian Davidson
Jim McGovern
Iain McKenzie
Mark Menzies
Graeme Morrice
Mr Alan Reid

Mr Ian Davidson was called to the Chair, in accordance with Standing Order No. 137A(1)(d).

Draft Report (*The impact of the closure of City Link on employment*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be considered concurrently, in accordance with Standing Order No. 137A(1)(c).

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 75 read and agreed to.

A Paper was appended to the Report.

[Adjourned to a day and time to be fixed by the Chair

BUSINESS, INNOVATION AND SKILLS COMMITTEE

Mr Adrian Bailey, in the Chair

Katy Clark
Mike Crockart

Caroline Dinenage
Ann McKechin

Draft Report (*The impact of the closure of City Link on employment*), proposed by the Chair, brought up and read.

Resolved, That the Report be the Twelfth Report of the Committee to the House.

Ordered, That the provisions of Standing Order No. 137A(2) be applied to the Report.

Ordered, That Mr Adrian Bailey make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned to a day and time to be fixed by the Chair.]

SCOTTISH AFFAIRS COMMITTEE

Mr Ian Davidson, in the Chair

Mike Crockart
Ian Davidson
Jim McGovern
Iain McKenzie

Mark Menzies
Graeme Morrice
Mr Alan Reid

Draft Report (*The impact of the closure of City Link on employment*), proposed by the Chair, brought up and read.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the provisions of Standing Order No. 137A(2) be applied to the Report.

Ordered, That Mr Ian Davidson make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 18 March 2.00pm]

Witnesses

The following witnesses gave oral evidence. The evidence is available on the Scottish Affairs Committee's website at www.parliament.uk/scotaffcom

Tuesday 13 January 2015

Question number

Mick Cash, General Secretary, **Steve Hedley**, Senior Assistant General Secretary, and **Gordon Martin**, Scottish Regional Organiser, RMT

[Q1-100](#)

Tuesday 27 January 2015

Jon Moulton, Better Capital

[Q101-420](#)

Wednesday 4 February 2015

Hunter Kelly, City Link Administrator, Ernst & Young

[Q421-576](#)

Tuesday 10 February 2015

David Smith, Former Chief Executive, City Link

[Q577-844](#)

Published written evidence

The following written evidence was received and can be viewed on the Scottish Affairs Committee's inquiry web page at www.parliament.uk/closure-city-link-inquiry/. CCL numbers are generated by the evidence processing system and so may not be complete.

- 1 Better Capital, BECAP12 Gp Limited ([CCL0003](#))
- 2 Hunter Kelly ([CCL0001](#))
- 3 P Ingall Transport ([CCL0002](#))

List of Reports from the Business, Innovation and Skills Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/bis.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2014–15

First Report	Royal Mail Privatisation	HC 539-I/II
Second Report/First Joint Report	Scrutiny of the Government's UK Strategic Export Controls Annual Report 2012, the Government's Quarterly Reports from October 2012 to September 2013, and the Government's policies on arms exports and international arms control issues	HC 186
Third Report	Student Loans	HC 558 (HC 777)
Fourth Report	The Implications for Scottish Independence on Business; Higher Education and Research; and Postal Services	HC 504
Fifth Report	Adult Literacy and Numeracy	HC 557 (<i>Cm 8982</i>)
Sixth Report	The Extractive Industries	HC 188(939)
Seventh Report	Business-University Collaboration	HC 249
Eighth Report	Government Support for Business	HC 770
Ninth Report	Competition in the postal services sector and the Universal Service Obligation	HC 769
Tenth Report/Second Joint Report	Scrutiny of the Government's UK Strategic Export Controls Annual Report 2013, the Government's Quarterly Reports from October 2013 to June 2014, and the Government's policies on arms exports and international arms control issues	HC 608
Eleventh Report	Transatlantic Trade and Investment Partnership	HC 804

Session 2013–14

First Report	Women in the Workplace	HC 342-I/II/III(<i>Cm 8701</i>)
Second Report/First Joint Report	Scrutiny of Arms Exports and Arms Control (2013): Scrutiny of the Government's UK Strategic Export Controls Annual Report 2011 published in July 2012, the Government's Quarterly Reports from October 2011 to September 2012, and the Government's policies on arms exports and international arms control issues	HC 205
Third Report	The Kay Review of UK Equity Markets and Long-term Decision Making	HC 603(HC 762)
Fourth Report	Consultation on a Statutory Code for Pub Companies	HC 314

Fifth Report	Open Access	HC 99-I/II(HC 833)
Sixth Report	Draft Consumer Rights Bill	HC 697-I/II/III
Seventh Report	Payday Loans	HC 789

Session 2012–13

First Report	The Hargreaves Review of Intellectual Property: Where Next?	HC 367-I/II(HC 579)
Second Report/First Joint Report	Scrutiny of Arms Export Controls (2012): UK Strategic Export Controls Annual Report 2010, Quarterly Reports for 2010 and January to September 2011, the Government's review of arms exports to the Middle East and North Africa, and wider arms control issues	HC 419
Third Report	Post Office Network Transformation	HC 84(HC 678)
Fourth Report	Overseas Students and Net Migration	HC 425(Cm 8557)
Fifth Report	Apprenticeships	HC-I/II/III(HC 899)
Sixth Report	The Insolvency Service	HC 675 (HC 1115)
Seventh Report	Too Little, Too Late: Committee's observations on the Government Response to the Report on Overseas Students and Net Migration	HC 1015(Cm 8622)
Eighth Report	Pre-appointment hearing of the Government's preferred candidate for the post of Groceries Code Adjudicator	HC 1011
Ninth Report	Local Enterprise Partnerships	HC 598

Session 2010–12

First Report	The New Local Enterprise Partnerships: An Initial Assessment	HC 434 (HC 809)
Second Report	Sheffield Forgemasters	HC 484 (HC 843)
Third Report	Government Assistance to Industry	HC 561
Fourth Report / First Joint Report	Scrutiny of Arms Export Controls (2011): UK Strategic Export Controls Annual Report 2009, Quarterly Reports for 2010,licensing policy and review of export control legislation	HC 686
Fifth Report	Government Assistance to Industry: Government Response to the Committee's Third Report of Session 2010–11	HC 1038
Sixth Report	Is Kraft working for Cadbury?	HC 871
Seventh Report	Rebalancing the Economy: Trade and Investment	HC 735 (HC 1545)
Eighth Report	Trade and Investment: China	HC 1421 (HC 1568)
Ninth Report	Time to bring on the referee? The Government's proposed Adjudicator for the Groceries Code	HC 1224-I
Tenth Report	Pub Companies	HC 1369-I/II (Cm 8222)
Eleventh Report	Time to bring on the referee? The Government's proposed Adjudicator for the Groceries Code: Government Response to the Committee's Ninth Report of Session 2010-12	HC 1546
Twelfth Report	Government reform of Higher Education	HC 885-I/II/III (HC 286)

Thirteenth Report	Pre-Appointment Hearing: Appointment of Director of the Office for Fair Access	HC 1811
Fourteenth Report	Debt Management	HC 1649 (HC 301)
Fifteenth Report	Stamp Prices	HC 1841-I/II

List of Reports from the Scottish Affairs Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

First Report	Postal Services in Scotland	HC 669 (HC 884)
Second Report	Video Games Industry in Scotland	HC 500 (Cm 8067)
Third Report	UK Border Agency and Glasgow City Council	HC 733
Fourth Report	The Scotland Bill	HC 775
Fifth Report	Student Immigration System in Scotland	HC 912 (Cm 8192)
Sixth Report	The Referendum on Separation for Scotland: Unanswered Questions	HC 1806
Seventh Report	The Crown Estate in Scotland	HC 1117
Eighth Report	The Referendum on Separation for Scotland: Do you agree this is a biased question?	HC 1942

Session 2012–13

First Report	A Robust Grid for 21 st Century Scotland	HC 499
Second Report	The Referendum on Separation for Scotland: making the process legal	HC 542
Third Report	The Referendum on Separation for Scotland: a multi-option question?	HC 543
Fourth Report	The Referendum on Separation for Scotland: Terminating Trident—Days or Decades?	HC 676 (HC 861)
Fifth Report	The Future of HM Coastguard in Scotland	HC 583
Sixth Report	The Referendum on Separation for Scotland: The proposed section 30 Order—Can a player also be the referee?	HC 863
Seventh Report	The Referendum on Separation for Scotland: Separation shuts shipyards	HC 892
Eighth Report	The Referendum on Separation for Scotland: How would Separation affect jobs in the Scottish Defence Industry?	HC 957 (HC 257)
Ninth Report	Blacklisting in Employment: Interim Report	HC 1071

Session 2013–14

First Report	Remploy Marine Fife	HC 454
Second Report	The Referendum on Separation for Scotland: The Need for Truth	HC 828
Third Report	The Referendum on Separation for Scotland: A Defence Force for Scotland—A Conspiracy of Optimism?	HC 842
Fourth Report	The impact of the Bedroom Tax in Scotland: Interim Report	HC 288
Fifth Report	The Crown Estate in Scotland: follow up	HC 889
Sixth Report	Blacklisting in Employment: addressing the crimes of the past; moving towards best practice	HC 543
Seventh Report	Referendum on Separation for Scotland: the impact on higher education, research and tuition fees	HC 1144
Eighth Report	Land Reform in Scotland: Interim Report	HC 877
Ninth Report	The impact of the Bedroom Tax in Scotland: Plan B—charges, arrears and refunds; incorporating the Government Response to the Committee's Fourth Report of Session 2013-14	HC 937
Tenth Report	Zero Hours Contracts: Interim Report	HC 654
Eleventh Report	Power Outages and Extreme Weather Conditions in the West of Scotland	HC 484
Twelfth Report	The Referendum on Separation for Scotland: Scotland's membership of the EU	HC 1241
Thirteenth Report	Blacklisting in Employment—Update: Incorporating the Government's Response to the Sixth Report of Session 2013-14	HC 1291
Fourteenth Report	The Impact of the Bedroom Tax in Scotland: Devolving the DHP cap	HC 1292

Session 2014–15

First Report	The Referendum on Separation for Scotland: Implications for Pensions and Benefits	HC 498
Second Report	Our Borderlands—Our Future	HC 556
Third Report	The Referendum on Separation for Scotland: no doubt-no currency union	HC 499
Fourth Report	The Implementation of the Smith Agreement	HC 835