



The Scottish Parliament
Pàrlamaid na h-Alba

Published 31 May 2022
SP Paper 187
7th Report, 2022 (Session 6)

Net Zero, Energy and Transport Committee

Net Zero, Energy and Transport Committee Report on The Companies Act 2006 (Scottish Public Sector Companies to Be Audited by the Auditor General for Scotland) Order 2022



Published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at:
<http://www.parliament.scot/abouttheparliament/91279.aspx>

For information on the Scottish Parliament contact Public Information on:
Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot

Contents

Introduction	1
Consideration by the Delegated Powers and Law Reform Committee	2
Consideration by the Net Zero, Energy and Transport Committee	3
Conclusion	5

Net Zero, Energy and Transport Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Net Zero, Energy and Transport.



netzero.committee@parliament.scot

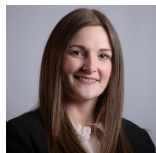
Committee Membership



Convener
Dean Lockhart
Scottish Conservative
and Unionist Party



Deputy Convener
Fiona Hyslop
Scottish National Party



Natalie Don
Scottish National Party



Jackie Dunbar
Scottish National Party



Liam Kerr
Scottish Conservative
and Unionist Party



Monica Lennon
Scottish Labour



Mark Ruskell
Scottish Green Party

Introduction

1. The Net Zero, Energy and Transport Committee reports to the Parliament as follows—
2. The Companies Act 2006 (Scottish Public Sector Companies to Be Audited by the Auditor General for Scotland) Order 2022 [draft] was laid before the Parliament on 29 April 2022 and is subject to the affirmative procedure. It was referred to the Net Zero, Energy and Transport Committee for consideration.
3. On 1 April 2022, operation of ScotRail services transferred to Scottish Rail Holdings Ltd, the arms-length company owned and controlled by the Scottish Government.
4. In the [Policy Note accompanying the Order](#), the Scottish Government says that the purpose of the instrument is to enable Scottish Rail Holdings Ltd to have their accounts audited by the Auditor General for Scotland, and to have an Accountable Officer appointed.

Consideration by the Delegated Powers and Law Reform Committee

5. At its [meeting on 10 May 2022](#), the Delegated Powers and Law Reform Committee considered the instrument and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit. [Read the Official report for the meeting on 10 May 2022](#) .

Consideration by the Net Zero, Energy and Transport Committee

6. At its meeting on 24 May 2022, the Net Zero, Energy and Transport Committee took evidence on the instrument from —
 - Jenny Gilruth, Minister for Transport,
 - Kevin Gibson, Solicitor, Scottish Government, and
 - Bill Reeve, Rail Director, Transport Scotland.
7. In her opening statement, the Minister highlighted that the Scottish ministers are the sole shareholder of Scottish Rail Holdings and that the permanent secretary as principal accountable officer is not automatically able to appoint an accountable officer through a purely administrative exercise.
8. The Minister added that the Order enables this process and is a necessary part of the governance process for Scottish Rail Holdings to fulfil its functions as a non-departmental public body.
9. Members asked the Minister several questions relating to the nationalisation of Scotrail on 1 April 2022 and the current service cuts in Scotland and specifically —
 - If the Minister accepted responsibility for these cuts and why Scottish ministers were not directly involved in ensuring service cuts do not happen;
 - If the Minister foresaw the dispute and if she knew when it would be settled;
 - How the public could be sure that lines of responsibility are clear when issues occur and how they could be confident respectful dialogue would take place with unions; and
 - What the Minister’s position was on rest days for drivers and whether she thought it was good practice for workers to feel under pressure to work on rest days.
10. Regarding the audit process, Members asked —
 - If Audit Scotland would audit Scottish Rail Holdings as well as ScotRail Trains Ltd which is the employer; and
 - How the Minister would respond to the audit report and what actions the Scottish Government would take in response to it.
11. The Minister replied Audit Scotland would indeed audit Scottish Rail Holdings and Scotrail Trains Ltd. She added —

” It would of course be for the Scottish ministers to consider and scrutinise the publication of any material from the Auditor General to ensure that we have trains that are running at best value for money and meeting passengers’ demands. It will be incumbent on ministers to scrutinise the detail of that accountability through the reporting process, as happens across a number of different organisations in Government.

12. Following the evidence session, the Minister moved motion S6M-04466 —

That the Net Zero, Energy and Transport Committee recommends that The Companies Act 2006 (Scottish Public Sector Companies to Be Audited by the Auditor General for Scotland) Order 2022 [draft] be approved.

13. The motion was agreed to without division.

14. The evidence on this instrument can be found in the Official Report at the following link: [Net Zero, Energy and Transport Committee Official Report](#).

Conclusion

15. **The net Zero, Energy and Transport Committee recommends that The Companies Act 2006 (Scottish Public Sector Companies to Be Audited by the Auditor General for Scotland) Order 2022 [draft] be approved.**

