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Press release

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Transport Scotland is managing rail franchise contract effectively

An Audit Scotland report published today, *The First ScotRail passenger rail franchise*, looks at how the Scottish Government's national transport agency, Transport Scotland, is managing the rail franchise. The report also examines First ScotRail's performance and the awarding of its three-year extension.

Auditor General for Scotland, Robert Black, said: "Scotland's trains are a vital service for people in Scotland and there are large amounts of public money invested in passenger rail services.

"Transport Scotland has managed the franchise contract effectively and First ScotRail has run services well since taking over in 2004. Delays are down, passenger numbers and satisfaction are up, and the quality of service, both on trains and at stations, has improved."

The report finds that Transport Scotland has in place effective arrangements for monitoring and managing First ScotRail's delivery of passenger rail services in Scotland. However, there is scope to take more account of both passengers' concerns and wider government priorities in the targets and measures that Transport Scotland use, and information about First ScotRail's performance could be more readily available to passengers .

The report says that First ScotRail, which will receive £2.5 billion in government subsidy over the ten-year franchise term, is doing a good job in running services; service quality is good and improving in most areas.

Since First ScotRail took over four years ago, more services are running on time. The number of minutes lost to delays has reduced significantly. While there is room for further improvement in some performance areas, the quality of service at stations and on trains has improved in most areas and, overall, passenger satisfaction has risen.

Looking at Transport Scotland's decision earlier this year to award First ScotRail a three-year extension to the contract, the report says that some aspects of the process could have been better managed.

Robert Black said: "Transport Scotland secured a guaranteed investment of £73.1 million from First ScotRail as part of the franchise extension, and they have put in place more demanding targets for aspects of service performance. However, there are some lessons to learn for managing the contracting process in relation to future franchises."

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Notes to editors

1. The First ScotRail franchise covers more than 95 per cent of Scotland's internal train services and the long distance sleeper service between Scotland and London. The network covers 3,032 route kilometres, which is the highest of all British franchises, and has 341 stations.
2. The ScotRail franchise is in its second term following the privatisation of Britain's passenger rail services in 1993. National Express operated the franchise from 1997 to 2004. The First Group was awarded the franchise in August 2004, re-named it First ScotRail and took over responsibility for operation in October 2004.
3. Ministers announced the franchise extension on 2 April 2008, following a period of about 18 months during which Transport Scotland, First ScotRail and ministers discussed their concerns with the existing contract and modelled different options for the future. The report contains full details of the process under which the decisions to review and extend were made.
4. Audit Scotland did not examine the development and award of the original contract as this took place prior to devolution of rail responsibilities to the Scottish Government.

5. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website www.audit-scotland.gov.uk
6. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report for the Auditor General for Scotland.
7. The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.