

# The First Scotrail passenger rail franchise

## *Summary impact report (3 month)*

### The report findings and recommendations

1. The Auditor General's report on *the First Scotrail passenger rail franchise* was published on 28 November 2008.
2. The report found that Transport Scotland was generally managing the rail franchise contract effectively and that First Scotrail's performance was good and improving in most areas. However, information about the franchise contract and associated performance was not readily available to passengers, user groups and others. The report found that the contract extension had been awarded following a review and rigorous appraisal process and had resulted in a guaranteed investment of £73 million by First Scotrail. However, it also reported that governance arrangements for the review could have been better.
3. The report contained 12 recommendations for Transport Scotland and the Scottish Government. Appendix 1 shows how these recommendations relate to the areas of impact.

### Media interest in the report

4. Media coverage in the period to the end of February 2009 was:

Coverage (3 months post publication) <sup>1</sup>	Number of references
Press	37
Radio	5
TV	1
Web	7 <sup>2</sup>
<b>Total</b>	<b>50</b>

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<sup>1</sup> We are aware of at least another 20 press items in March – much of this coverage appeared in national newspapers and focused on Transport Scotland's former Director of Finance and Corporate Services.

<sup>2</sup> Web stats are limited to those we have identified from standard searches.

5. Web downloads from the Audit Scotland website in the three months following publication were:

<b>Product</b>	<b>Downloads</b>
Main report	820
Key messages	221
Podcast	96

### **Direct impact**

6. In providing evidence to the PAC as part of its inquiry Transport Scotland indicated that it had begun to implement some of the report's recommendations. Transport Scotland has accepted all but one of the recommendations – it did not consider that it needed to clarify its stakeholder consultation arrangements, suggesting that some aspects of consultation were more relevant to the Scottish Government. A letter from the Transport Scotland Chief Executive to the PAC included a summary of actions being taken to implement the recommendations.

### **Parliamentary scrutiny**

#### ***Scottish Parliament Public Audit Committee***

7. The Auditor General first briefed the Parliament's Public Audit Committee on 10 December 2008. The Committee decided to hold an inquiry into the report which has resulted in consideration of the report and associated evidence sessions at a further six meetings in the period to 27 March 2009. The Committee has written to and taken oral evidence from Transport Scotland, the Permanent Secretary (twice), the Minister for Transport, Infrastructure and Climate Change and Transport Scotland's former Director of Finance and Corporate Services. The inquiry is still ongoing.
8. The PAC's inquiry has already resulted in the Scottish Government reviewing and revising its recruitment procedures in order to improve the identification and management of interests:
- A question has been added to the senior civil service (SCS) application form which asks applicants to indicate whether they are aware of any possible conflict of interest might arise should they be appointed.

- The Permanent Secretary has also requested that the Scottish Government's Human Resources team review SCS recruitment procedures to see whether anything further is required.
- Anyone with private financial interests is now meant to have six-monthly discussions with their line managers on the management of those interests rather than the "once-and-for-all" arrangement that was previously in place.

## Appendix 1 – Summary of anticipated report impact by Audit Scotland’s framework for measuring impact

HOLDING TO ACCOUNT AND HELPING TO IMPROVE				
Recommendations	Assurance and accountability	Planning and management	Economy and efficiency	Quality and effectiveness
<b>Transport Scotland</b> should review performance measures to improve alignment with passenger and wider government priorities.	●	●	●	●
<b>Transport Scotland</b> should consider allocating and monitoring a budget for franchise performance payments.		●	●	
<b>Transport Scotland</b> should clarify whether all funding commitments relating to the franchise are secured until the end of the extended franchise term in November 2014.		●	●	
<b>Transport Scotland</b> should clarify its consultation arrangements, both for passenger rail and its overall transport responsibilities, to improve stakeholder engagement.	●			●
<b>Transport Scotland</b> establish a single source from which stakeholders can	●			

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Recommendations	Assurance and accountability	Planning and management	Economy and efficiency	Quality and effectiveness
easily access the information they consider relevant regarding the franchise.				
<b>Transport Scotland</b> ensure a guide to the franchise contract is developed that identifies key elements for passengers and taxpayers, is reviewed for its readability and made publicly available.	●	●		
<b>Transport Scotland</b> should publish a summary of the performance meeting minutes identifying key elements for passengers and taxpayers.	●			●
<b>Transport Scotland</b> should develop a systematic project plan for awarding the next franchise. This should identify the key stages and their timeframes, consultation strategy, decision-making criteria, and reporting and approval arrangements.	●	●		●
<b>Transport Scotland</b> should specify under what conditions an extension will be considered or the criteria that will be used to decide whether an extension is appropriate, should the next franchise agreement include an	●	●		●

HOLDING TO ACCOUNT AND HELPING TO IMPROVE				
Recommendations	Assurance and accountability	Planning and management	Economy and efficiency	Quality and effectiveness
extension option.				
<b>Transport Scotland</b> should consider any relevant recommendations from the recent National Audit Office report on letting rail franchises.		●		
<b>The Scottish Government</b> may wish to consider introducing an obligation for all public transport providers to consult with other affected transport providers when proposing service or timetable changes, to assist further integrated transport improvements.		●		●
<b>The Scottish Government</b> may wish to consider introducing versions of the Service Quality Incentive Regime (SQUIRE) for other transport and service providers.	●		●	●