

LOCAL GOVERNMENT AND TRANSPORT COMMITTEE

Tuesday 20 January 2004
(*Afternoon*)

Session 2

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LOCAL GOVERNMENT AND TRANSPORT COMMITTEE **3rd Meeting 2004, Session 2**

CONVENER

*Bristow Muldoon (Livingston) (Lab)

DEPUTY CONVENER

*Mr Andrew Welsh (Angus) (SNP)

COMMITTEE MEMBERS

*Dr Sylvia Jackson (Stirling) (Lab)
Mr Bruce McFee (West of Scotland) (SNP)
Michael McMahon (Hamilton North and Bellshill) (Lab)
*Paul Martin (Glasgow Springburn) (Lab)
*David Mundell (South of Scotland) (Con)
*Tommy Sheridan (Glasgow) (SSP)
*Iain Smith (North East Fife) (LD)

COMMITTEE SUBSTITUTES

Bill Butler (Glasgow Anniesland) (Lab)
Colin Fox (Lothians) (SSP)
Mr Kenny MacAskill (Lothians) (SNP)
Mr Brian Monteith (Mid Scotland and Fife) (Con)
John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

John Armitt (Network Rail)
Ron McAulay (Network Rail)
Willie Rae (Community Planning Implementation Group)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Alastair Macfie

ASSISTANT CLERK

Euan Donald

LOCATION

Committee Room 2

Scottish Parliament

Local Government and Transport Committee

Tuesday 20 January 2004

(Afternoon)

[THE CONVENER *opened the meeting at 14:05*]

Item in Private

The Convener (Bristow Muldoon): I open the third meeting in 2004 of the Local Government and Transport Committee. We have received apologies from Michael McMahon, who will be unable to attend today. Sylvia Jackson will attend, but she will arrive slightly late, because of other commitments.

Agenda item 1 is consideration of whether the committee agrees to discuss the draft report on the Antisocial Behaviour etc (Scotland) Bill in private later in the meeting. Do members agree to do that?

Members *indicated agreement.*

Tommy Sheridan (Glasgow) (SSP): I register my usual opposition.

Rail Industry

14:07

The Convener: For agenda item 2, I welcome to the committee John Armit, who is the chief executive of Network Rail, and Ron McAulay, who is the regional director for Network Rail in Scotland. As part of our work on the rail industry, we are considering the rail regulator's recent decisions on track access charges and how they impact on Network Rail and other parts of the railway industry. I invite John Armit to make some opening remarks on behalf of Network Rail.

John Armit (Network Rail): Thank you very much. It is a pleasure to be here today and to have the opportunity to explain to the committee our responsibilities and the challenges that we face and to answer members' questions.

Network Rail's primary remit is the operation, maintenance and renewal of the existing rail network. In addition, we can support—directly and indirectly—enhancements of the network. Our focus on safety leads all our activity; it is the key factor that we must always bear in mind above all others.

Network Rail acquired Railtrack on 3 October 2002. It is a not-for-dividend company without normal shareholders; any financial surpluses are reinvested in the infrastructure. We took a long and hard look at the organisation and concluded that it was poorly structured and somewhat dysfunctional. We inherited a highly neglected asset—maintenance contracts were inadequate for our needs and there was a backlog of renewals of some 4,000 miles across the network. Costs in the industry have risen dramatically in recent years and we are taking radical steps to try to get them under control.

We have a huge task over the next five years. At a time when we all accept that the railway has been a victim of decades of underinvestment, it is essential that we improve efficiency and reduce delays. To help us to achieve that, we announced recently that we would restructure the company. We are creating a functional organisation, which will deliver direct reporting lines for the business's main functions of operations, maintenance and renewals. The restructuring combines the changes that are necessary to accommodate the transfer of maintenance in-house and the templating of all the roles that are necessary for the new functional structure.

We will be moving from a regional, geographic organisation to a route-based organisation; one of those routes will be Scotland. We have established a number of asset management

territories; again, Scotland will have its own. The proposals are being developed in full detail, but the structure will be based on the existing 18 area units, which we established last year. General managers will be responsible for performance in each area; Scotland is divided into two areas—east and west.

By bringing maintenance in-house, we intend to have consistently applied standards and, obviously, more direct control. We estimate that we can also save between £200 million and £300 million per annum on maintenance. The move, which we hope to complete this summer, will involve the transfer of some 18,500 employees across Network Rail.

The rail industry works relatively well in Scotland. I think that we have good relationships with our industry partners. Scotland's high level of investment, together with the commitment of Network Rail and all its personnel, will continue to deliver the best performance in the UK. We appreciate the Scottish Executive's aspirations to deliver some significant enhancement projects. We are working closely with the Executive to help to deliver those priorities and to make available the necessary resources and expertise.

One of our biggest pieces of infrastructure is the Forth rail bridge, which is undergoing a lot of maintenance work. If committee members wished to come and have a look at that work on site, they would be more than welcome. Also, we recently acquired a high-speed measurement train that roars around the country; it is quite a sophisticated train that is used for measuring infrastructure. A number of people in London spent half a day or so on the train to see how it operates. Again, committee members would be welcome to do that.

The Convener: Thank you for those introductory remarks and for the invitation to witness some of the infrastructure issues that face Network Rail. I am sure that we will pursue that issue in the future.

I will start with the rail regulator's interim review of track access charges. The committee recently heard from the Strategic Rail Authority and, following your evidence today, we will speak to the regulator. What is Network Rail's assessment of the review? Has Network Rail decided whether it will accept the findings of the review or does it intend to appeal to the Competition Commission?

John Armitt: The first thing to say about the review is that it was held in a constructive way with the rail regulator, over some nine months, with some to-ing and fro-ing of information. Network Rail and the rail regulator appointed joint consultants so that, in trying to reach conclusions, we were both able to look at the same information.

It is no secret that the rail regulator's conclusion that the amount that could be raised through track access charges—just over £22 billion—was somewhat less than we had indicated we thought was necessary. The rail regulator continues to seek most of the outputs that we have discussed with him. To that extent, the review is undoubtedly challenging.

We have a board meeting tomorrow afternoon at which the board will have to decide whether to accept the review or to go to the Competition Commission. The board papers contain a fairly lengthy paper that sets out for members, particularly non-executive members, the background to the review. The paper also contains a recommendation from ourselves, as the executive of Network Rail, on what to do. It would be slightly presumptuous of me to pre-empt the decision of my board by telling you what will happen. Clearly, it is in everybody's interests to get the matter resolved quickly so that the railway can move on and we know what resources we have to spend.

The Convener: Perhaps you could set out what the proposed resources will mean in terms of the revenue that will be made available to Network Rail over the forthcoming years. You could cover the levels of revenue that have existed to date; the levels of revenue that the regulator has proposed; and the levels of revenue that you believe are necessary.

14:15

John Armitt: Broadly speaking, at the moment we spend about £1.3 billion a year on maintenance and about £1.2 billion on operations. The renewals expenditure will be about £2.6 billion this year, which includes the renewals on the west coast. In addition, there are sums for specific projects and enhancements.

The rail regulator has set us a target of about 30 per cent improvement in efficiency over the next five years, which means that we expect maintenance to come down to about £1 billion per year; equally, we expect operations to come down to about £1 billion. That leaves us with a balance and we must consider the amount that is available for renewals. To a large extent, when the amount of money changes, we have an opportunity to spend more on renewals—depending on whether the amount goes up or down.

The level of expenditure is significantly greater than that which the rail regulator allowed prior to Hatfield. The regulator would say that the understanding that followed Hatfield has enabled him to increase the level of expenditure by about £6.7 billion—I think that that is the figure he gives—which represents an increase of about 40

per cent on the amount that was allowed in the previous review. The level of expenditure is high, but it is not dissimilar to the amount that we have been spending during the past couple of years. There is clearly a decline in expenditure going forward; however, there is a recognition that more needs to be spent in the short term.

Much of the debate is about ensuring that the spend is efficient. The rail regulator would argue that rather than spend too much too quickly, it is better to spend slightly less but to ensure that we do so efficiently. The amount represents a very significant improvement on what was allowed in the previous review and it is similar in the short term to what we have been spending over the past couple of years.

The Convener: What has been the profile of investment in track renewals during the period from Railtrack's existence until now? Can you give us that information in terms either of expenditure or of the amount of track that has been renewed?

John Armitt: The figure for track miles renewed per annum dropped to as low as 250 miles per annum in the worst year, just prior to privatisation—the fact that privatisation was coming meant that there was a slowdown. During the early years of Railtrack, there was a relatively slow period in relation to expenditure, with up to about 400 miles being renewed per year. During the past couple of years, we have been renewing at the rate of about 800 miles per year. To recover the backlog, we would need to renew more than 1,000 miles per year. At the moment, we expect to renew about 800 or 850 miles, which is a big increase on what was happening eight or 10 years ago.

When we consider the past 50 years, we can see that levels of renewal have been relatively low compared with what they should have been. Theoretically, if we assume—roughly—that the infrastructure has an average life of 30 years, about 3 per cent should be renewed per annum. However, for quite a long time the renewal rate has been as low as 1 per cent.

Iain Smith (North East Fife) (LD): Is the renewal rate of about 800 miles per year the rate at which the situation does not deteriorate, whereas a rate of 1,000 miles per year would start to eat into the backlog?

John Armitt: Yes. To eat into the backlog, we would need to renew at a rate close to 1,000 miles per annum. The levels of expenditure that have come out of the review will not enable us to eat into the backlog as quickly as we would have liked to do. That is not to say that we will not eat into it, but I think that it will take at least 10 years to recover at that rate.

Given that we cannot renew at the preferred rate, more heavy maintenance has to take place. To a certain extent, the need to strike the right balance is a consequence of the review. The rail regulator does not insist that the money must be spent here or there; it is our duty to consider what we have to do and to allocate funds appropriately.

Iain Smith: One of the problems that the Parliament's Transport and the Environment Committee discovered during its major investigation into the rail industry in session 1 was the transparency of the spending figures for the industry in Scotland, particularly in relating the figures for track access charges to those for track maintenance and renewals. Is it now possible to get more of a breakdown of the amount of money that is raised from track access charges in Scotland, and of how much of that sum is reinvested in maintenance, renewals and enhancements in Scotland?

John Armitt: Yes. Track access charges generate around £220 million.

Ron McAulay (Network Rail): The total income in Scotland is £222 million.

John Armitt: This year, we are spending about £360 million. That excess over the pure track access charges comes through grants, fundamentally.

Ron McAulay: To clarify, the £222 million consists of about £183 million of track access charges, plus other income from various sources.

Tommy Sheridan: I am very interested in the cost profile. You might not have the figures to hand, although you seem to have quite a few notes in front of you. Do you have a comparison for us in relation to the public inquiry into the six years prior to privatisation compared with the six years post-privatisation? What has been the level of public expenditure on the railways in Britain?

John Armitt: That would be quite difficult to say, particularly for the six years post-privatisation, which was at the time of Railtrack. Railtrack raised a lot of its funds outside the public sector, through the market. There would have been public money going through as grant, on top of the track access charges. However, one would not be comparing like with like if one took the six years post-privatisation together with the six years pre-privatisation, when funding was essentially 100 per cent public, as British Rail was provided with funds through the Treasury.

I am sure that we could dig up some figures, but you would not get a like-for-like comparison. The level of public expenditure would obviously be much smaller post-privatisation.

Tommy Sheridan: I would really appreciate it if you could provide the committee with those

figures. My interest is in trying to evaluate whether the percentage of public investment in the railways fell as it was supposed to do, post-privatisation. My understanding of the figures that I have seen is that the amount of public subsidy was still huge; it is just that we started to subsidise private companies instead of investing in a public industry. I would be interested to see those figures.

You gave us the figure of £1.3 billion a year for track maintenance. I was interested to hear that. I am pleased that, at long last, the decision has been taken to bring maintenance in-house. You have spoken about the potential for savings of £200 million to £300 million a year. Is that correct?

John Armitt: Yes.

Tommy Sheridan: How many companies do you employ on rail renewals?

John Armitt: We employ six primary companies.

Tommy Sheridan: Do you have any idea how many subcontractors they use?

John Armitt: No, but it is a lot. All sorts of numbers are bandied around in relation to how many companies work on the infrastructure of the railway in one way or another. The six main contractors would typically use specialist subcontractors for welding activity, for example. Signal testing is totally subcontracted. The big signalling contractors no longer have very many people in their employ who test and commission signals; nearly all the people involved in that work are freelance testers or small companies. Telecoms maintenance is subcontracted.

I would be guessing, but I would say that the substantial contractors working for the six primary companies could number between 50 and 100.

Tommy Sheridan: How deeply has Network Rail investigated the prospect of bringing rail renewals in-house?

John Armitt: We considered it. As you can imagine, when consideration was being given to whether to take maintenance in-house, the question of what to do about renewals arose during the same discussion. We saw maintenance as the priority that we wanted to take control of.

Renewals are more akin to project activity. We can create discrete packages of work and put them out to competitive tender. Given the discontinuity in renewals, there are peaks and troughs of demand for labour. One would not, therefore, be surprised to find that the different renewal contractors employ the same people at times during the year, because there is a finite labour resource that might not all be employed by the same contractor at the same time. Taking

renewals in-house would give us that set of issues to deal with.

On balance, we believed that we were biting off a lot by taking maintenance in-house. As I said, we had to bring 18,500 people into the company and manage them properly, while taking into account the Transfer of Undertakings (Protection of Employment) Regulations. Renewals activity is fairly plant intensive and there are continued benefits and efficiency gains to be had from keeping it in a competitive environment. Our plan is to leave renewals work in the private sector and to contract it out. We will shortly announce the contract awards for the next five years.

Tommy Sheridan: Did your discussions take place prior to Mr Darling's announcement yesterday? The thrust of that announcement was that decision making in the railway network should be streamlined and that fewer people should be making decisions. You are talking about hundreds of companies working on rail renewals. You are also talking about public money, and saying that double the amount of money that we spend on rail maintenance will go into rail renewals. That money is being spent with private companies. Could economies of scale be gained? If you can save £200 million to £300 million by bringing maintenance in-house, surely savings could be made by bringing rail renewals in-house?

John Armitt: I will put the £200 million to £300 million in context. If maintenance had stayed with the contractors, we would still have sought that saving through them doing the work more efficiently. It is not just because we are bringing the work in-house that we believe we will make savings; we believe that there are opportunities for better efficiency and 20 per cent to 30 per cent improvement, whether we do the work or whether contractors do it.

For renewals, the bulk of the materials are purchased by Network Rail and the contractors provide labour and plant. As you can imagine, we purchase sleepers, rail and major signalling equipment to get the benefits of the bulk purchase. We then pre-issue the materials to the contractors, who compete primarily on labour, plant and overheads.

In answer to your first question, clearly we made the decision before yesterday's announcement. I do not believe that the announcement changes anything.

Tommy Sheridan: I am a bit puzzled, because you are making the point that regardless of whether the contracts are brought in-house, you are looking for a 20 to 30 per cent saving. That makes me wonder what those private companies were doing for the past six years, if the level that they were charging will allow you to make savings of 20 or 30 per cent in a short space of time.

John Armitt: The savings will come from several areas, one of which—possession planning and access to the network—is particularly highlighted and is as much our responsibility as it is the contractors' responsibility. In the past year, you will have seen that on the west coast we have taken some pretty large blockades for renewals activity. The benefit that we get from taking a blockade can be cost savings of 30 to 40 per cent.

Maintenance is a difficult area. Probably 50 per cent of the time is spent on maintenance that is reactive, in that the track circuit has failed or a broken rail has been spotted and the maintenance crews have to go out to fix it. The other 50 per cent of the time is spent on planned and proactive maintenance. We want to change that balance. We want to get as much proactive preventive maintenance as possible for the money that we spend, so that we need less reactive maintenance to deal with the failure that probably causes delays on the network.

As with all such things, we need to look at all areas, including what people pay for the materials that they buy, the overheads that we employ and the number of interfaces that we have. We also need to examine people's efficiency on the ground and find out how many hours out of an eight-hour shift are actually spent at the work face as opposed to travelling there.

We need to look at our efficiency when we gain possession. One of our biggest targets is to improve the amount that we get out of a four-hour, six-hour or eight-hour possession. We know that the longer the possession, the more efficient our work is. In other words, weekend possessions that allow us access for perhaps 27 hours provide more than three times the benefit of a short possession.

14:30

Tommy Sheridan: Do you hope, therefore, to make savings through a combination of in-house maintenance and better management of that maintenance?

John Armitt: Yes.

Tommy Sheridan: On a related point, you talked about a route-based approach to the railways. Many people feel that Scotland should have its own railway control organisation. In evidence to the Scottish Executive's consultation on transport, the Convention of Scottish Local Authorities, which represents local government in Scotland, said that rail provision in Scotland should be controlled by a Scottish body. Are you confident that Network Rail in Scotland is that body?

John Armitt: Network Rail in Scotland is that body. The bulk of ScotRail's movement is within

Scotland but, as well as cross-country activities, Great North Eastern Railway and Virgin have cross-border activities such as those on the west coast line and there are also the freight operators. Scotland cannot be put in its own bubble, cocooned from the rest of the network, because there are cross-flows and interchanges.

As I said in my introduction, under our reorganisation we consciously retained Scotland as a route, with its own director. We also have two areas of maintenance and renewal activity in Scotland. Looking at the way in which the network throughout the United Kingdom is organised, I would say that Scotland is probably one of the most discrete parts of the network and that it is managed in that way.

Ron McAulay: I am relatively new both to the industry and to this role within Network Rail, so it is perhaps worth highlighting one thing that has come across to me strongly, which is that performance in Scotland is good. I believe that performance is good because there are good relationships between ScotRail and Network Rail and with the officials in the Scottish Executive. A lot of effort goes into those relationships to ensure that the network is operated to the best effect for customers.

I believe that having the backing of a national company in the form of Network Rail brings benefits. I could cite an example of that in the work that was done last year at Dolphinstone, where a long section of the east coast main line had to be rerouted because of subsidence—which, if I remember rightly, was due to mine workings. To fix that cost something like £56 million. That is a lot of money to find, but it was made readily available by the company to help deliver the improvement to resolve that problem.

Having been in the industry for only 10 weeks or so, I can say from a relatively objective viewpoint that Network Rail is working well in Scotland. I believe that it is going forward.

The Convener: Tommy Sheridan will ask one last question before I bring in other members.

Tommy Sheridan: I may get the chance to ask later why Scotland is a route instead of a country—we tend to think of ourselves as a country—but I shall ask my last question. Does Network Rail have any plans to discuss the process whereby we might remove a further tier of management by bringing the train operators under one roof? Obviously, there is a growing argument that if we did not have 25 separate train operating companies efficiency would improve.

John Armitt: The quick answer to that is no.

The Convener: Sorry?

John Armitt: I said that the quick answer was no.

The Convener: Sorry, I was busy having a discussion with a colleague.

Tommy Sheridan: That was too quick an answer.

The Convener: Yes.

David Mundell (South of Scotland) (Con): I will allow John Armitt to expand on that answer, because I am interested to know whether he sees vertical integration as a practical suggestion. In addition, even if it were practical to implement it, what benefit could it bring?

John Armitt: The primary benefit that people point to when talking about vertical integration is, in a sense, single control of train operation and its interface with maintenance activities—what was described in the newspapers last week as a single “fat controller”. We and the train operators believe that we can find ways to deliver that benefit without putting both areas of activity into the same company. Network Rail has been having discussions with the train operating companies for some months, through a body called the national task force, about how to get better virtual integration between the two areas.

In February we will establish a single controller at Waterloo station, employed by Network Rail and overseeing—in that instance—the Network Rail and South West Trains control room. Elsewhere, we have already put ourselves and train operators under common control but still with separate authority. To be fair, it is fairly rare for someone to turn round and say, “There is a decision to be made: who is the person to make it?”

Most of the time, the discussion that takes place between us and the train operators is about the impact on operations that we can see through the network, the signalling systems and so on. The issue for the train operators is whether the extent to which the controller changes things means that they will have trains in the wrong place at the end of the day or whether drivers will be shifted in the right way. Every time that the controller decides to turn a train back or cancel a train, that has an impact on the train operator’s activities for the rest of that day and, if it happens in the evening, the following morning. The controller has a series of judgments to make about what to do, and as a link between us, as his employer, and the operator of those trains, he is the best person to do that. He interfaces with our people and, as I said, nine times out of 10 there will be a consensus as to the right thing to do to try to recover the service following an incident.

We see it as beneficial to work more closely with the train operators, but I do not think that either we or the train operators see vertical integration as being on the agenda—the Government would certainly say that, politically, it is not on the

agenda. Any vertical integration would be very difficult unless a single unit was created, and then we would be back to British Rail.

If the train operating companies were to take responsibility for maintenance and infrastructure, they would require massive financial resources, which most of them do not have. Network Rail is essentially the vehicle for a very high level of debt, which most companies would not want on their balance sheet. We and the train operators are looking at working much more closely together to achieve the best management opportunity on the ground.

David Mundell: On Mr Darling’s talk of streamlining in his statement yesterday, who will be streamlined, if not you or the train operating companies?

John Armitt: One section of his statement was devoted to the safety regulatory regime. In that respect, we have Her Majesty’s railway inspectorate, which oversees our implementation of safety on the railway, the Rail Safety and Standards Board and the rail accident investigation board, which means that immediately there are at least three regulators. In addition, we have the rail regulator himself and the SRA. I would have thought it more likely that the Government will seek views across those areas when it is carrying out its review to find out whether there is some opportunity to streamline the number of bodies that regulate and supervise the railway.

David Mundell: But that review will not examine the day-to-day operation of the railways.

John Armitt: No. However, I know that, as far as day-to-day operation is concerned, the Government wants the sort of improvements that we are going live with in connection with South West Trains at Waterloo. We are also seeking to introduce more such improvements with other train operators. I should point out that it is easiest to make such improvements where there is a prime operator. There are a few routes around the country that are essentially dominated by a single operator. However, with other routes such as the west coast main line, which has 20 different train operators going across and up and down it, it would be much more difficult for people to believe that a single operator would act in everyone’s best interests. To a certain extent, it is horses for courses.

David Mundell: Although its exact meaning is not clear, there is a suggestion in Mr Darling’s statement of devolving further responsibilities to the Scottish Executive. Do you have any idea what those responsibilities might be? In any event, would such a move help your activities?

John Armitt: I probably hold different views on that, depending on which day of the week it is. No

matter whether we are talking about the Scottish Executive or passenger transport executives, it is clear that local people are far more constructive when they are involved in formulating solutions and activities than they are when something is done to them by someone at the centre 500 miles away. As a result, there are real benefits in seeking local involvement in necessary changes and improvements to the railway.

At the same time, we seek to retain the benefits of a national network in which key strategic decisions are made across the network and are not too focused on a local perspective. Again, the issue depends on the scale of any decision or changes and the impact of such a decision on other parts of the network. For example, one could make changes to local stations without impacting on areas outwith the local community. On the other hand, major infrastructure changes can have wider impacts on the network.

Mr Andrew Welsh (Angus) (SNP): I would have thought that, with its short lines of communication, Scotland would have been an ideal unit in that respect. Did you check whether your schemes work? It would be seen quite quickly in Scotland whether they did or not. What did you mean when you said that vertical integration was politically not on the agenda for Scotland?

John Armitt: I did not say that vertical integration for Scotland was not on the political agenda; I said that, overall, it was not on the agenda for the UK. I know that many people in Scotland would like vertical integration.

Tommy Sheridan: Hear, hear.

John Armitt: At the moment, we are close to the end of the process for the extension of the ScotRail franchise, which will set the scene for a number of years. As I have said, we certainly wish to retain a network-wide view of the track infrastructure. I would not particularly like to have a curtain across the border, because that would be disadvantageous. That said, I understand the desire in Scotland for vertical integration.

Mr Welsh: As I said, I would have thought that the results of your planning—that is, whether it was successful or not—would be seen quite quickly in Scotland. You have mentioned better efficiency and expertise, enhancement projects, proactive maintenance, longer shifts and so on. However, is your planned investment standing still or does it mean real progress for Scotland?

John Armitt: As I said earlier, we are making quite a significant investment in Scotland. For example, about £360 million will be allocated this year and, as our September budget made clear, we plan to invest about £1.6 billion over the next five years in Scotland. We must consider that

September budget against the background of the final review by the regulator and ascertain a budget with which to go forward. At the moment, we are preparing detailed budgets for 2004-05 and 2005-06, but beyond that things tend to be more difficult.

Mr Welsh: In your earlier statements, you seemed to put a great stress on reorganisation to free up investment money. However, if I understood you correctly, you also said that, given the massive backlog, £22 billion in track access charges is not enough. How can the investment in Scotland that you have just mentioned match up to Scotland's existing problems?

14:45

John Armitt: Scotland is no different from any other part of the network. It is a bottom-up process; the guys in Scotland, Yorkshire or wherever say to us, "This is what we believe that we need to do to get our chunk of infrastructure into the state that we would like it to be in." At the end of the day, we have to say, "Sorry, but you cannot have everything that you want, whatever part of the country you are in." It is a question of prioritisation; at the least, we examine the most important routes in an area and maximise the opportunity to improve them. It is no different from any other budget process—we are invariably constrained by the budget, so we decide on the most sensible way in which to spend it to get the maximum bang for our buck.

Mr Welsh: In looking at past and existing problems, we in Scotland also hope to be able to look to the future. Has Network Rail been asked to operate the Stirling-Alloa-Kincardine line and does it intend to do so?

John Armitt: We expect to continue to operate all parts of the network. We do not see any great benefits in parts of the network being separated off and run by someone else—that would not be in anyone's interests. There are private railways that do not interface with the main network, but that is an entirely different situation.

The most significant recent example is the channel tunnel rail link. It is owned by London and Continental Railways, but we operate the line and integrate it with the rest of the network under contract to that company.

Iain Smith: You mentioned the fact that managers have to make decisions about prioritising routes and about maintenance. How do you categorise routes in Scotland and how do you prioritise expenditure on them?

John Armitt: Like everywhere else, Scotland has primary routes, secondary routes and freight routes. We consider those routes and what needs

to be done to them. The primary focus is on keeping the routes safe; we get the maximum outputs that we can while operating in a safe manner. The number of passengers carried on individual routes is also a factor. There cannot be a simple formula—we cannot say, “We will only spend this amount on that.” We have to consider each individual set of circumstances and judge them on their merits.

Ron McAulay: In Scotland, like everywhere else in the UK, we inspect our track at regular intervals. Those intervals depend on the usage of the line and on the number of journeys over each set of rails. That information is fed into the asset registers that are used to determine the required levels of maintenance. They tell us the condition of the track and whether there are problems that we need to go out and fix. We might need to go out to react to a problem and we also undertake preventive maintenance. That is how we establish whether maintenance is required and how we carry it out.

Iain Smith: Is it deemed acceptable that the level of maintenance on certain routes might be such that it requires a deterioration in service—for example, speed restrictions that result in longer train journeys?

John Armitt: That is never desirable. However, as you say, if a piece of infrastructure is not up to standard, temporary speed restrictions are the basic solution. The line speed might be reduced from 90mph to 60mph, or even to 20mph if the track is extremely bad. In those circumstances, you would generally try to fix the track as soon as possible; if not, the speed restriction will become permanent. In Scotland, there are 43 temporary speed restrictions across the network, which is a considerable improvement on last year. Just as one could never say that there will be no broken rails in a year, it would be unrealistic to set a target of zero temporary speed restrictions.

At the end of the day, one has to say that, even though a section of track is in need of renewal, it is not a high priority because, for example, only two sprinters a day use it. The money would be better spent on the tracks around the major conurbations than on ensuring that the sprinters can travel at 60mph rather than 40mph on that stretch of track.

Iain Smith: “The SRA’s Specification of Network Outputs”, which is a consultation document, says that the Strathclyde Passenger Transport Executive’s network has been deemed a secondary route. Therefore, do you envisage that a deterioration in the level of service in that area would be acceptable?

John Armitt: The network outputs statement was a piece of work that was done to inform the rail regulator, who will have taken it into account

when determining the interim review. However, the NOS does not have any impact on us, as such. We have a series of contractual commercial relationships with the train operators and have to do our best to fulfil those obligations—we will be subject to contractual penalties if we do not. Again, as I said, we have a certain amount of money that we have to work out how to spend in a way that will enable us to meet all our contractual obligations.

Iain Smith: Is it your aim to ensure that there is no further deterioration in the rail network in Scotland over the next five years? Do you think that the financial resources that the regulator is making available to you will allow you to fulfil that objective?

John Armitt: The resources that we will have over the next five years will enable us to improve the infrastructure generally in Scotland and elsewhere. Performance in Scotland is significantly better than it was last year. As I said in my introduction, the Scottish team is delivering better delay minutes figures than any other team in the country. That is a demonstration partly of good management and partly of improving infrastructure.

Mr Welsh: You said that your task is to meet all your contractual obligations, and you stressed matters relating to the track. However, the track leads to places. I notice that the rail regulator is talking about a draft stations code that will deliver

“a better environment for passengers—by reducing the excessive burden of paperwork.”

However, more than a reduction in paperwork is required to enable us to meet the problems that we face. Who will fund the investment in better station facilities that are being asked for? Surely that comes under your obligations.

John Armitt: Improving a station by adding to its facilities would count as an enhancement. Enhancements are funded by the SRA or a third party and are not funded through maintenance or renewals activity, which is there to support existing infrastructure or station facilities. In the past year or two, the SRA has cut back its modern facilities at stations programme—MFAS—because it does not have the funds available to do all the things that it wanted to do. Having said that, if a third party or a train operator said, “I want to put some money into these stations. I want to fund it,” there is nothing to stop him doing so.

Mr Welsh: If we are to get the improvements that passengers deserve after everything that has gone on, you will have to enter into obligations and operate leasing arrangements, but who will pay for them?

John Armitt: Fundamentally, enhancements can come only through grant funding or private

initiatives where the person funding them can see a return. At the extreme, a hotel company might decide to build a hotel alongside a station and, because it would probably be built on railway land, we would say, "We want some enhancements to the station as part of the deal for the return you are going to make out of your hotel." That is one way of trying to bring money into stations, although it is not an easy one.

The fundamental lease responsibility of the train operating companies is the maintenance of stations. They do not, by and large, have an obligation to change the overall facilities at stations during the period of the lease. The rail regulator simply refers to having one standard form of lease between us and all the train operators, rather than the myriad that built up during the early years of privatisation. If you want significant enhancements, they will come either from a third-party source of funding or from grant funding.

Mr Welsh: What is Network Rail's role in encouraging such improvements?

John Armitt: There are 2,500 stations, of which we operate 17 and the rest are operated and maintained by the train operators. Our role is clear at the 17 major stations that we operate. In terms of the visibility of work that is required, the train operators have the primary opportunity and the advantage of understanding what their passengers would like to see and what they can do to meet that demand. At its simplest, some of the train operators will make a small amount of space available at the end of the station and lease it to a guy who produces bacon sandwiches and coffee. That is probably one of the most popular things that a train operator can do on his station first thing in the morning, and it does not cost him much money.

However, average expenditure under the modern facilities at stations programme, which added to the infrastructure and covered information systems, toilets, waiting rooms and so on, was something like £600,000 per station. That was a high level of expenditure across the whole network and, given the constraints that the SRA is under at the moment, it has had to cut back on that work.

Mr Welsh: I take it that we need not hold our breath.

Dr Sylvia Jackson (Stirling) (Lab): You will accept that safety is the number 1 priority. I seek your views on the cause of the recent incident at Dunblane.

I am sorry that I missed what you said initially—I was at another committee meeting—but could you describe the impact of your next year's funding on passenger services and freight?

As a regular train user between Edinburgh and Stirling, I have been relegated to platform 21 at Waverley station. I ask you urgently to examine some way in which we can have hot coffee at least on that platform, because it is very far away from services. There must be something that you can do about that. I ask you to come down there some time and get the half-past 5 to see what the conditions are like.

John Armitt: In the am or the pm?

Dr Jackson: In the pm.

Ron McAulay: Thankfully, the incident at Dunblane involved an empty train. There was no one on it other than the driver, and a slow-speed derailment took place when the train was passing over some switches. As members can imagine, we are investigating the cause of the derailment. It would be a little premature for me to say exactly what the cause of the accident was, but we have a fairly good initial indication that will be thoroughly investigated. We will be happy to share the information with the committee when the investigation is concluded.

Unfortunately, although the train was slow moving, it did a fair bit of damage to the track at the location. I am pleased to say that, with an awful lot of effort from our contractors, First Engineering Ltd, and our own people, and with ScotRail's co-operation, we managed to resolve the issue and get the track back into service by, I think, 20 past 6 the following morning, which meant that the disruption to the following day's services was kept to a minimum. We talked earlier about temporary speed restrictions. Because we had to reset some of the track at the site, a temporary speed restriction was applied for a short period. The restriction has probably been lifted by now, but that safety measure was taken to ensure that any work that we had done settled and that the track was properly supported.

I must say that although I use Waverley station a fair bit, I had not noticed that platform 21 was missing out on services. I am happy to take that issue away and speak to our major stations people to see what can be done, although I am not making any promises.

15:00

Dr Jackson: Can you project for the next year or two what effect maintenance and renewals will have on passenger and freight services in Scotland?

John Armitt: The general point that I have been making is that the level of expenditure that is available to us will continue at the level of the past two years. Everyone has criticised that level of expenditure as being too much rather than too

little; it is significantly more than has been spent for a long time. Given the volume of expenditure that is going into the network I would expect an improving infrastructure—certainly that is what the rail regulator expects. That improvement will lead to less of everything in terms of the measurements: the rail regulator holds us to a whole series of key performance indicators. An improving infrastructure can result only in improving performance for passengers.

We have targeted getting back to a public performance measure of 89 or 90 per cent throughout the network, which is regarded as satisfactory performance. At present, the average for the past seven days is 83 per cent and the rolling average is 81 per cent, although the figure fell to about 76 per cent at the time of Hatfield. It takes a long time to move the average up—we have said that it could take as long as five years, although many people will say that that is too long.

Ron McAulay: The figures that John Armit has given are UK-wide. In Scotland, the public performance measure is running at around 86 per cent, with ScotRail regularly exceeding the magical 90 per cent figure.

Dr Jackson: If we are to have renewal or maintenance work, will it be done on Sundays or during the week? I know how busy the Edinburgh to Glasgow track is and what the impact on other services on that line would be.

Ron McAulay: Much of our work at the moment is done at the weekend and at night. That situation will continue. As was touched on earlier, we are exploring better possession management so that we get longer periods of possession of track, which allows us to make more efficient use of and to get more productivity out of each window of opportunity. The process of weekend and night-time working will continue. A lot of regular maintenance work goes on during the night.

Dr Jackson: So you are not suggesting that there will be major disruption. That is what I am trying to get at.

Ron McAulay: There will be no more disruption than we have at present. Major projects will result in occasional major disruptive possessions. To cite an example, the Waverley project, which was completed last weekend, was a major project that went extremely well. We were able to restore the service on Monday morning, as promised, with no hiccups, I am pleased to say.

The Convener: Three more members want to ask supplementary questions. I ask them all to be as brief as possible.

Iain Smith: Whose responsibility is disabled access, particularly in relation to meeting the terms of the Disability Discrimination Act 1995? Is

it the responsibility of Network Rail as the owners, or of the train-operating companies as the lessees?

John Armit: Essentially, such changes would be enhancements. If you wanted to improve all the stations to bring them up to disability legislation standards, that would involve significant expenditure, which would have to be allowed for through enhancements. We do not have funds in our normal budgets to enable us to bring all stations up to preferred standards when it comes to disabled access.

Tommy Sheridan: I return to the point that a fellow committee member made about the Strathclyde Passenger Transport network. We are talking about an area that transports more than half of Scotland and the whole network has been classified as “other secondary”. Are you happy with that classification or will you investigate it?

Ron McAulay: It has not been classified by Network Rail.

Tommy Sheridan: I know that, but when representatives from the transport authority came here they said that they were working to your specifications. Quite clearly, most of the committee members felt that they were trying to bat the decision back into your court. They said that the SRA is saying that it was under your specifications that it arrived at the designation of the SPT network.

John Armit: I am not sure that I quite follow that, but I return to what I said at the beginning. The parts of the network that are clearly carrying intensive daily use, particularly by passengers, are exactly the sort of areas where we would expect to focus our effort and expenditure. If we are simplistic about it, and at the risk of upsetting people in some of the rural communities, the major intercity routes and the major routes in and between the major conurbations are clearly where the bulk of the passengers travel each day and where we need to focus our efforts to ensure that we are minimising disruption and providing the best possible service to the maximum number of people.

Tommy Sheridan: Could we ask Ron McAulay to look specifically at that categorisation of the SPT network? That was the evidence that was given to us by the SRA representatives.

On the issue of safety and performance, both of you have said a couple of times how pleased you are with ScotRail. The problem is that many of ScotRail’s passengers would not agree with you, because of the number of times that they have had to stand in far too overcrowded trains. More than a year ago, a target was set that no one should stand for more than 10 minutes on a journey. Does Network Rail have any view on the

safety of that? It is a bit of an anomaly that rail is the only mode of transport that does not yet have a safety limit for standing. In planes, buses and cars, there are safety limits for how many people can be on board. Travel on the rush-hour trains between Glasgow and Edinburgh and I will show you people squeezed in like cattle. You can get a seat only after people have been dropped off at Falkirk, which is more than 30 minutes into the journey. What is Network Rail's view on that element of safety?

John Armitt: That is not an aspect of safety that is our responsibility. The health and handling of passengers and the crush loading are the responsibility of the train operators. They measure those things and have categories for them, labelled A, B, C or D according to how densely packed a train is, just as the underground operators do. There are views as to what is a reasonable level of standing passengers on a train. Responsibility for the safety implications of that lies totally with the train operators.

Ron McAulay: There are a number of schemes, some of which are starting round about now, to lengthen platforms on a number of lines. That will allow longer trains and more carriages to be taken back and forwards, which should help to alleviate that problem on some routes.

Tommy Sheridan: Believe you me, there is plenty of room for more carriages on the trains that I am talking about. The problem does not lie in platforms for those trains, but in the fact that the trains do not have enough carriages.

Finally, in response to a question that I think that David Mundell asked about streamlining decision making, you seemed to identify the SRA as a possible target for streamlining—whatever that might be. I am a bit concerned about safety and safety monitoring. Are you suggesting that the Health and Safety Executive will not continue to have a key input in the railway industry?

John Armitt: That has been suggested. The model with which people draw comparisons is the Civil Aviation Authority, which is a single body that regulates the aviation industry. It has responsibility for aviation safety standards airside as opposed to landside. HMRI was originally part of British Rail until about 1990, I think, when it was moved across and became part of the Health and Safety Executive. It has been suggested that HMRI could be put with the rail regulator so that there is a single body to regulate the railways and at the same time oversee the safety of the railways. The safety and regulatory functions would sit within a single body.

It is clear from yesterday's statement by the Secretary of State for Transport, Alistair Darling, that, for example, the structure of safety control

regulation across the railways bears examination and that people's views about sensible changes are expected in the coming period. Of course, there can be only one overriding driver for such changes, which is maintaining and seeking to improve safety as efficiently and cost effectively as possible. A point that we recently made to the House of Commons Select Committee on Transport was that one cannot simply have safety at any price. There is a limit to how much money can continue to be spent on safety improvements if there are no measurable benefits from them.

David Mundell: In the recent past, ScotRail and some local authorities have criticised Network Rail for being overly risk averse and excessively bureaucratic in its contractual arrangements and they have said that that has led to overblown estimates and project delays. What is your response to such charges? What are you doing about them?

John Armitt: We are aware of those criticisms. Some instances that ScotRail has mentioned are from some time past and relate to Railtrack, but I will not use that fact as a means of avoiding the issue.

We are conscious that we are sometimes overbureaucratic and that people are risk averse, but their risk aversion must be put in context. A number of Network Rail employees are waiting to be prosecuted by the Crown Prosecution Service over safety issues and a number of investigations are running that involve people who are conscious of the fact that they are being questioned about decisions that they made in meetings several years ago against the background of what happened at Ladbroke Grove, for example. If a person has spent the morning being interviewed by British Transport Police investigators who are seeking to hold that person to account for decisions that they made several years ago and the person comes back to the office and is faced with another set of decisions that they must make, it can be imagined why they are likely consciously to make decisions as safely as they deem. There could be risk aversion at times; I make no apology for that. I believe that we have gone too far as a society in seeking to allocate blame and prosecute individuals for mistakes. If somebody is grossly and wilfully negligent, I accept that they should be held to account. However, there is a tendency to seek to blame and prosecute quickly, rather than to find the root cause of an incident and ensure that it does not happen again. When engineers and managers at the middle level of an organisation find themselves at risk, we should not be surprised if they err on the side of caution all the time.

15:15

Mr Welsh: Can you clarify a previous answer regarding Strathclyde? You said that heavy usage would, as a matter of policy, attract greater investment. What scale were you referring to when you said that? Was it the UK scale or the Scottish scale?

John Armitt: We would take a network-wide approach and consider the areas where there were many passengers. Many people travel in and around cities and PTEs are key parts of the transport infrastructure for such areas. However, a benefit of the current arrangement is that the train operators themselves are not backward in coming forward and seeking from us constant improvement and constant attention to ensuring that there are no weaknesses in the infrastructure so that they can provide the best possible service to their passengers. Therefore, we need to consider carefully commuter-based, regular-use networks such as Strathclyde to ensure that we provide as good a service as we can.

Mr Welsh: I want to be clear about the matter because where there is heavy usage you obviously want to maximise the investment to get to the majority of people. However, on a UK scale that would mean that there would not be much investment above Crewe. In the Scottish situation, I want to ensure that Strathclyde, which has heavy passenger usage, does not lose out. Can you clarify that, as regards a UK scale and a Scottish scale, one would not preclude the other?

John Armitt: If you look, as I have done on occasion, across the seven regions that we split the country into and at the route miles within the regions and the level of expenditure, you will see that the expenditure has turned out to be pretty evenly distributed. There is no part of the country that could be said to be suffering and not getting a fair share of the cake. Scotland, although it might not have as many passengers as there are, for example, between Surbiton and Waterloo, is certainly not being denied a fair share of financial resources.

Mr Welsh: The problem is that it does not feel that way if you are packed in like a sardine between Edinburgh and Glasgow, or within Strathclyde.

John Armitt: I can assure you that the people who travel into Victoria and Waterloo in the mornings from the leafy suburbs of Surrey would sympathise with that situation.

Mr Welsh: I gather that that situation is traditional down there, but my concern is Scotland.

The Convener: That brings us to the end of questions, so I thank Ron McAulay and John Armitt for their evidence. To clarify Network Rail's

views on the prioritisation of different parts of the network within Scotland, it would be useful to have a written follow-up from you. That would help to inform members about your assessment of the various lines within Scotland.

John Armitt: Yes, we can certainly do that. Thank you all very much.

The Convener: Thank you for the evidence.

Community Planning Implementation Group

15:19

The Convener: We move on to the next item on the agenda. I welcome Chief Constable Willie Rae of Strathclyde police, who is here in his capacity as chair of the community planning implementation group, and invite him to give us a progress report on the group's work.

Willie Rae (Community Planning Implementation Group): Thank you, convener. We have submitted a paper for members' information, which I will briefly summarise.

The community planning implementation group was established by the Executive to support the implementation of community planning under the Local Government in Scotland Act 2003. The group was set up in March and is scheduled to end its 12-month term this April. Our 11 members have been drawn from across the public and voluntary sectors in Scotland. They include some of the main contributors to the original community planning task force, which assisted in the development of the legislation.

We have met in five full sessions over the past 10 months. Much of our work has been done in small sub-groups or by individual members of the group. Our remit and our work programme have largely been based on the 11 recommendations that were made by the task force in its final report, which was published in April last year. Those recommendations have been distilled into five key areas. The first was the maintenance of progress in the implementation and development of community planning. That has meant working with Audit Scotland to develop a performance management framework, examining the role of the private sector in community planning and looking at data sharing, regeneration, young people's issues and the like.

Another key area was raising the profile of community planning. That involved all the members of the group speaking at events and conferences and meeting ministers to keep them apprised of developments. Providing guidance was also key. This committee assisted in that process, because you were consulted on the draft documents that were prepared. Statutory guidance and advice notes have been drawn together after extensive consultation with community planning partners. That information will shortly be circulated around Scotland. We maintain an on-going research programme to assist partnerships in their work.

We felt that it was important to promote the good practice that we had seen. It is difficult to describe anything as best practice, so we stick with the phrase "good practice" and try to promote that through a website that has been developed and by creating links between practitioners and partnerships.

The final key area is maintaining an independent focus to the process. Like the task force before us, we have been able to work in ways that have given us direct access to, and support from, the Executive and other key decision makers. At the same time, we have had the freedom and independence to express our own views. That has allowed us to come to a balanced conclusion on the issues and to present that balanced view at various groups that we have addressed.

Over the past 10 months, the community planning implementation group has forged positive links with community planning partnerships across Scotland. We try to act as champions of community planning, at national level and within our particular sectors. We have endeavoured to embed the principles of community planning in the departmental management boards within the Scottish Executive and we have developed a project to improve the links between the Executive and the partnerships. We have constantly reminded partnerships of the importance of putting communities first and of engaging them in the whole process. We have worked jointly with Communities Scotland to produce a toolkit to enable partnerships to review their progress and effectiveness. We have encouraged leaders of organisations to step out of their silos and to adopt a joined-up approach to planning and service delivery.

We are considering our exit strategy and the further steps that will be required to maintain momentum. We intend to include options in our final report. It is important that community planning partnerships should continue to be supported beyond the implementation group's lifetime.

Mr Welsh: Your submission refers to an on-going research programme. What will happen to that when your organisation finishes its work? Will its funding continue? I presume that the research is of practical use to those who are involved in community planning.

Willie Rae: We will have to comment on that to the Executive. One hopes that a programme continues. We have an on-going project on rationalising partnerships. One aim of community planning was to clear the clutter of some of the existing partnerships. That is no easy task, but we commissioned research, which is being finalised.

The community planning task force produced several documents that gave fledgling

partnerships advice. It is important for that process to continue. That is in our minds, but we have not reached conclusions about the matter. The outcome will depend on the entity that exists beyond the implementation group's lifetime.

Mr Welsh: I can well see that clearing the clutter and ensuring that people have clear goals are essential to ensure that some benefit is felt at the end of the process. The group says in its submission that it has developed frameworks and has been involved in presentations, developing projects, themed meetings, improving engagement with the private sector through seminars, issuing advice notes and discussing progress and priorities. You are an implementation group and those tasks all concern theories, but surely the end product is practice. After the year—which is a short time—what has the group achieved in practice? Has it simply left guidance towards end-products?

Willie Rae: We must understand that community planning has always been considered to be a long-term process. It involves winning hearts and minds. We did not start with a blank canvas. The partnership ethos of community planning already existed in some form in parts of the country. The community planning approach brought coherence to that.

The aim is to change work practices that have been instilled in many organisations for the past 20 or 30 years. The idea of achieving a joined-up approach sounds simple, but we have found it to be complex and demanding—it is certainly challenging for some institutions to conceive. We are conscious that we are trying to put community planning on the right track.

Community planning partnerships are not passive players. Many of them—in particular, those that were involved with the five pathfinder authorities that were established five years ago—have been energetic in driving forward the concept of community planning.

Our task is largely to help partnerships to find their direction and to identify good practice and what works. We try to be the champion and to raise awareness. The practice of community planning is down to the partnerships.

I stress that, as the committee might be aware from our guidance document, community planning is built on trust. That was the Executive's message when it launched community planning. That trust is in a framework of best value and the power to advance well-being. Going forward in that way was a brave step by the Executive. Community planning empowers partnerships to seize the local agenda and to progress national priorities as well as local priorities. That represents a significant change in direction and work practice, which will take a little while to achieve.

Mr Welsh: I see that you are dealing with a difficult area of operation involving attitudes, work practices and pre-existing mindsets. Has your work come to an end? If you finish in April 2004, what happens then? Is the system now self-sufficient? Will any other group or individuals co-ordinate and encourage such participation or will your year's work simply disappear? In other words, what lasting legacy will your work have produced?

15:30

Willie Rae: In our final report, we will make recommendations to ministers on what should exist beyond the lifetime of the group. All the members of the group believe that there has to be an infrastructure to support community planning into the future. What shape that will take is clearly a matter for ministers to decide, but we believe that it is important to have a strong network in place throughout Scotland to support community planning. It is important to identify champions in the sectors to drive forward community planning. That is true of the Executive as well; it must have a champion within the civil service working within the departments to drive forward that agenda. The Executive structures have changed, given the modernisation agenda, which will be helpful.

Rest assured that there is a great deal of sympathy in our group for the point that you made. We have a 12-month lifespan. That is what we were given and we will certainly recommend that the work should continue in future. The group would welcome the support that the committee could give on that.

Paul Martin (Glasgow Springburn) (Lab): On ensuring that we can enforce the community planning process, which we all embrace, is there a need for local co-ordination for areas such as Sighthill and Ruchazie, which we both know well? How will we ensure that the process is enforced? You have said that things should happen on a voluntary basis, but will the people of Sighthill be dancing in the streets and saying, "We now have this community planning process that has made such a fantastic and significant difference to our lives"? The document will be technical, so how do we ensure that it is embraced locally?

Willie Rae: I could use the term "policed" in a non-police sense. One of the important features of the 2003 act, which places a statutory requirement on a number of bodies to take forward and support community planning, is that it gives local authorities the lead role in that process. In my experience, the act has brought home to the key players the fact that community planning cannot be ignored—it is not simply another initiative that will disappear in a short space of time, but a way of working and a vehicle by which we expect the

Scottish Parliament to deliver changes in public life in Scotland. It is important that that is supported by everyone.

The contribution that bodies are making to community planning is subject to audit. Rather than having the process enforced, we want individuals who have a contribution to make to community planning to see the benefits of it to the community, to improved services for the public and to their organisations. The issue is about winning people round so that they acknowledge those benefits. Provisions are in place to allow ministers to intervene if they see that that is not happening. From my perspective, however, there is no suggestion that it is not happening.

Performance across the country is mixed. The process is a long-term one and it is taking a little while to get established. We have had 32 community planning partnerships in place for three years now, excluding the five pathfinders. There was little guidance initially. The concept was a fragile one—it would be easily broken if people did not like it. Indeed, it was not necessary for people to sign up to it. Since the legislation has been in place, however, the fact that the initiative is real and that the Executive is genuine about it has been brought home. Duties are being placed on chief constables, local authorities, the health service, Scottish Enterprise and the like. Undoubtedly, that focuses the minds of the organisations concerned.

Since the legislation has come into effect, the various partnerships have been taking stock of where they are. The Glasgow Alliance, which has been established for some time now, has been fulfilling a role similar to that of community planning. The transition has been difficult for it to make, but its work is now moving forward apace. All the other well-established partnerships have been considering their priorities and the themes that they are pursuing, as well as their structures. The big challenge for them all, particularly for those that cover large rural areas, is how best to represent the communities of interest that exist in their geographical areas. They also have to determine what substructures need to be in place.

The legislation is in place and the partnerships have got off the ground and are taking stock. New documents have been coming from them and new plans have been evolving. At this stage in the partnerships' development, there is no suggestion that we need to go in heavily with an enforced approach.

Paul Martin: That takes me to my next point, which is about realigning the relevant organisations' budgets. I have never seen any evidence of organisations being willing to realign their budgets as a result of the community planning process or of any partnership process—

social inclusion partnerships in particular. Is there any evidence from around Scotland to show that Communities Scotland has decided to realign its budget as a result of the joined-up approach?

Willie Rae: There are lots of projects throughout Scotland that are joint ventures with the various players. Much has been learned from the SIP experience about involving communities and I would say that organisations are prepared to put funding into joint ventures in that way.

There is no suggestion of a change in the budget structure in order to support community planning. As you will probably be aware, a number of pilot projects throughout Scotland are focusing on community budgeting. That is a difficult process, but it is continuing and will perhaps develop into what you are describing.

Paul Martin: Do you agree that ensuring that relevant agencies are willing to realign their budgets is the main point that we have to address in relation to the community planning process?

Willie Rae: The important thing in these early years is to ensure that trust is built up between partners and that relationships are developed. As well as budgetary misalignments, there are structural misalignments. Overlaps in organisational boundaries are not particularly helpful. However, although we could spend a long time trying to get all those boundaries aligned, that would not necessarily end up benefiting the community.

When the community planning task force was first set up, we looked at the criss-cross of boundaries on the maps and considered how we could make sense of them. I suspect that the committee has done likewise. Once we get into the matter, however, we realise that the overlapping should not be an excuse for not improving services or, in relation to budgets, for not trying to improve service delivery in a community.

It is within the capacity of the partnerships to focus their efforts on the regeneration agenda that we are trying to drive forward. As you know, the plan to move the SIP programme into community planning partnerships is about trying to ensure that the key partners are bending the spend in relation to the regeneration agenda. Such measures will perhaps achieve the outcome that you describe.

David Mundell: Ministers have a duty to promote and encourage community planning. To what extent have you been monitoring their activities in that regard? Is the Scottish Executive genuinely pursuing a joined-up approach?

Willie Rae: Probably one of the strongest messages that came from community planning partnerships was, "It is all right to scrutinise us, but

what about the Executive?" To maintain that independent line, it was—and continues to be—important that the Executive should respond to community planning and the changes that are involved.

From my perspective and that of the implementation group, I can say that the Executive has pursued a joined-up approach with vigour. The Minister for Finance and Public Services has supported community planning, as have ministers who held the job before him. We are aware that changes have taken place in the Executive. I am sure that members are familiar with the Executive's changing to deliver agenda. The Executive has created a public services group, which deals with performance, improvement, modernisation and reform. Part of that structure is about supporting community planning in all its guises.

I am also aware that the management team within the Executive is considering how best to support individual community planning partnerships. That support should not necessarily come from someone who sits in an office in Edinburgh and speaks to people down the phone. How can we bring the Executive and local practitioners together? An exercise is going on throughout Scotland to create clusters of partnerships and to enable some of the heads of service to link in with those partnerships, so that the Executive gains a better understanding of the local agenda and so that the partnerships have an opportunity to articulate their priorities. From my perspective, I can say that the Executive seems committed to the joined-up approach. That can be difficult for the Executive, but it is happening.

Let me digress slightly. That approach is being taken right across the Executive, not just in relation to the organisations that are listed in the Local Government in Scotland Act 2003. In my world, I single out the Crown Office and Procurator Fiscal Service, which would not ordinarily spring to mind in relation to community planning. However, there is no doubt that the Lord Advocate and his team have embraced the concept of community planning, problem solving and engaging with local communities. That approach is filtering right through the fiscal service.

The approach is also being taken by Communities Scotland, which took a little time to set its new direction but which has now firmly done so. I have noticed, especially during my past few meetings with Communities Scotland, that the organisation's support for community planning is getting stronger. I do not doubt that there has been a big buy-in on community planning across all the arms of the Executive. That is the result of a lot of work to ensure that there is political clout to encourage senior management in the Executive to

recognise that community planning is important and that it is how we will do business in the future.

David Mundell: Have you identified any specific work that the Executive still needs to do?

15:45

Willie Rae: I have identified none that I would care to identify. Although it is not within the Executive's gift, I believe that there are some issues to do with the future leadership of many of our organisations. When I speak about community planning, I describe the chief executives—if we can use that term—of many of the public sector bodies. The heroes of today are those who go into meetings and protect everything that they went into the meeting to protect, without allowing any of their resources to be eroded: if there is anything on the table, they come back with the biggest share. Such individuals cannot be the chief executives of the future. We need chief executives who understand the big picture and the dependencies across the sector. I wonder what is happening to develop that mindset in the up-and-coming generation.

Leadership development has been traditional within particular sectors. For example, future police leaders are trained with other future police leaders and future chief executives in the health service are trained with other future chief executives in the health service. I think that, if we are to fulfil our aspirations for community planning, we will have to find a way of growing people who understand cross-sectoral impacts.

As chief constable of Strathclyde police, it is important for me to know what is driving the local economy in Glasgow, Ayrshire and Lanarkshire, because I have to know about crime figures. I have to understand the health of that community and the demands on the local housing authorities if I am to provide better services. That sort of joint working is critical for the future, so I hope that the Executive will provide some leadership in the thinking on that.

We have spoken before about training elected members; the Convention of Scottish Local Authorities has taken a lead in trying to develop some training programmes in that area. However, if community planning is to deliver on the potential that it offers, there is a lot more to be done.

David Mundell: In your first answer, you mentioned the balance between the Executive and individual community partnerships. Do you think that the Executive's expectations of individual community partnerships are unrealistic? Are those expectations too high or is the balance right?

Willie Rae: I think that everyone in the Executive understands the local issues and

realises that achieving coherence is complex. When you have an enthusiastic and willing group of people who face a legacy of separate service plans, it is challenging for them to bring those plans together to create a vision for a local area. Their approach needs constantly to be refined. I believe that members of the committee will well understand that because, at some point in your lives, you have probably all been in the position of trying to achieve consensus in such situations.

On the future relationship between the Executive and local partnerships, it is important that there is a clearly articulated set of priorities for Scotland, because there is an expectation that the partnerships will drive forward with those priorities. That trust in the framework is part of the deal, so the Executive must articulate those priorities as clearly as possible. Although the partnership agreement that emerged after the last election is a good starting point, it still leaves many different priorities that are difficult to rationalise at local level. In future, I hope that there will be a mechanism that will bring together local and national priorities so that we have one set of priorities that represents a vision for Scotland and that brings to the process a coherence that is not quite there yet. I know that that is quite an ambitious aim.

Dr Jackson: I want to continue with the points that Paul Martin was making, because I have had similar experiences. The other day I visited a project in Raploch, where it was obvious that people are coming to terms with and finding out more about how SIP funding will change under community planning and about the types of structures that will be put in place.

Are you finding out about best practice in terms of how communities can be made aware of what is happening? Obviously, councils have a critical role to play. I suppose that I am asking what sort of best practice is in place at council level. I understand that timescales for delivery are reasonable, but are there measures that we need to grapple with that will not be in place as quickly as we first thought they would?

Willie Rae: In terms of the SIP transfer, there is guidance and there is a timetable. In my travels, I have not heard anyone say that they had any great difficulty with the initial stages of the process, including the setting-out of their plans. I do not know enough about the programme to say whether it is over-ambitious. No one seems to be saying that, however. There seems to be sufficient flexibility for community planning partnerships to say when they are ready. That is the case particularly in Glasgow, because of the move from the Glasgow Alliance, which oversees the SIP programmes there at the moment. I think that there is a good understanding of how the transition might operate.

Communities Scotland has issued guidance on how the transfer should be progressed. As I said earlier, my personal view is that although Communities Scotland has taken a little while to get a sense of direction, it now knows where it is going and it has a clear sense of purpose. I believe that the support that Communities Scotland can provide to the partnerships will be an important factor—it can hold their hands as they go through the transition stage.

With a change programme of such a scale, it is inevitable that some people will be apprehensive. As members will be aware, some of the SIP projects are pretty small. Their funding streams are fairly tight and some are due to expire at various stages in the process. Of necessity, that creates apprehension about continuation of programmes. It is inevitable that concerns such as those that Dr Jackson heard will emerge during the change process. However, from speaking to the Executive and the community planning partnerships, I sense that the pace of transition will be dictated by the level of readiness of the partnerships.

Dr Jackson: I have a quick supplementary question. I know that one of the members of the implementation group is the chair of a local community council. That will be helpful to us. Is a guide—although I am not sure whether you would call it a guide—to be prepared that sets out the stage-by-stage development of how community planning will affect those who are in community councils or local community projects? Have you thought about how you might develop something like that?

Willie Rae: A number of guidance documents have been issued. Many organisations, including my own, have issued guidance to staff about community planning. Such guidance is built into some organisations' core training. I understand that individual authorities have plans to develop training not only for their own council members but for community council members. They are trying to develop some sort of capacity building in their communities. The implementation group has a draft guidance document for the voluntary sector. Loosely, that might include some of the people who serve on community councils.

In issuing such guidance, we are conscious that the voluntary sector members of our group have made it clear that they serve on our group to represent the unique community view that they can bring, and that many voluntary sector people are involved in service delivery. It is important to recognise that the voluntary sector plays a huge role in delivering a range of services in Scotland. We must ensure that guidance is pitched at the right level; we are working on that.

Guidance documents are being issued at individual partnership level. We use our website to try to ensure that everyone is aware that that is being done so that we do not end up reinventing the wheel time after time. We want to ensure that the documentation is picked up and circulated around the networks. COSLA does a fair amount of work on such documents through its own network groups.

Iain Smith: I want to follow up on what Sylvia Jackson asked about. I listened to your presentation and have read the documentation and much of what you say seems to focus on the top ends of organisations working together. I am interested in what the implementation group is doing about the bottom end and about getting communities involved to ensure that there is community planning at ground level as well as at board level.

Willie Rae: The Executive has issued two tranches of money for capacity building across partnerships. Some £1 million was issued last year and £750,000 was issued recently. That funding has been well received by the partnerships and is designed specifically to consider capacity building either in the community or in organisations.

A very broad label was attached to how the money should be spent and partnerships have taken fairly innovative approaches. Some money has been used to grow a pot of money that has been used to develop capacity building in organisations, whereas other sums have been used to develop training programmes that can be shared by organisations. A number of authorities have clustered together to find out whether they can share training programmes that have been developed. Such Executive investment is welcome. The implementation group is considering investment for the recommendations in its final report. What has been given so far cannot be all—investment must continue.

Partners in the community planning arena have a responsibility to do something themselves: I will revert to policing. When new recruits to the police service go to the Scottish Police College at Tulliallan, there is input on community planning, which has gone down well. I will take a little step aside for the moment. I chaired a Scottish Association for the Study of Delinquency conference at Peebles, at which there were seven Scottish law lords, I think. For the group work, we brought together the trainers from the Scottish Police College and put them through a community planning exercise that involved problem solving in scenarios that had been created. The experience was enlightening for them and for others at the conference in respect of joined-up approaches.

In one scenario, an individual was seen walking along the high street. The individual picked up a

street litter bin and threw it through a window. One of the eminent gentlemen at the conference questioned why the bin had not been screwed to the ground and why the window was not a strengthened window. When people start to think about such matters, the solutions that are found are not always straightforward enforcement responses. Through bringing people together and working jointly, we can find solutions to problems, even from the most eminent quarters of Scottish public life.

Iain Smith: One problem that communities face is consultation overload. Either a blank sheet of paper is provided on which people are asked to say what they want, which is impossible, or thick documents such as policing plans, health plans, local plans, structure plans and every other type of plan in the world are provided, with which it is almost impossible to deal. Is community planning intended to cut through some of that and allow communities to say where they want to be in five years' time? Is it also intended that community planning will find out what they need to do to get there, and that it will undertake more simple joined-up activities such as ensuring that buses run to surgeries when surgeries are open?

16:00

Willie Rae: You are right. I mentioned clearing the clutter. All the organisations involved are intent on securing communities' views in order to influence their priorities. We have urged organisations to work together on that and to have a single visit, whether that be through a paper exercise, such as a survey of an area, or through a community forum—many partnerships are creating those in order to obtain representative views.

At the most recent implementation group meeting, we heard that the business community in Stirling is electronically linked and that the internet is being used to draw out the business sector's view. The message is that the point that Iain Smith made should be addressed; partnerships are conscious of that. In my own patch, Glasgow City Council has undertaken an extensive audit in its area and has invited all the key partners to piggyback on that exercise, so that there is only a single visit and we ensure that we do not duplicate questions.

I am heartened that people want to find out communities' views. The way in which that is done might be fairly clumsy and be more likely to turn people off than switch them on, but the intention is right. However, we must find the right mechanism, although I do not think that a single approach will be appropriate. We have the assembly approach, meetings of community groups, focus groups and a range of other approaches, which I am sure the

Executive uses, too. It is important to reach the hard-to-reach groups rather than just the usual suspects.

Communities of interest are another consideration. We tend to focus on geographical groups, but I was interested in the committee's previous evidence on transport because, as members will be well aware, in the partnerships—particularly those in rural communities—integrated transport systems are highlighted as being critical to allowing some smaller communities to sustain what they have and grow their local economies. Some groups cut across communities.

Another of our aspirations is greater link-up of partnerships. We do not want to create 32 little islands that all do the same thing in different ways. Partnerships must share best practice. When it is sensible to work as a region or a distinct group, partnerships should do that and be encouraged to do that. The cities review has been an interesting development in the drive to achieve such working. Consultation with community planning partnerships has been one criterion for access to cities review funding. That has been a good hook with which to pull together surrounding partnerships and I am heartened by what I have seen in that regard. I am involved in the Clyde valley partnership for the area that surrounds Glasgow, which is pursuing interesting strategic issues that affect the whole area and talking about sharing its approaches.

The Convener: That brings us to the end of our questions. From the questions and answers, I gather that the implementation group has made considerable progress on improving the way in which community partnerships work, but that a continuing need to develop that further is recognised.

We look forward to the implementation group's final report. I suspect that, overall, committee members agree with you that a continuing means by which to develop partnerships will be needed to ensure that engagement takes place with communities and that communities see the value of the community planning process, which is important. I thank you for your evidence.

Willie Rae: I very much appreciate the committee's support on that point. I thank the committee for listening to me.

16:05

Meeting continued in private until 16:45.

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