



T: 0131 244 2814  
E: [dgcommunities@gov.scot](mailto:dgcommunities@gov.scot)

Richard Leonard MSP,  
Convener of the Public Audit Committee,  
The Scottish Parliament,  
Edinburgh,  
EH99 1SP

23 November 2022

Dear Convener,

## **RESPONSE TO PUBLIC AUDIT COMMITTEE REQUEST FOR FURTHER INFORMATION**

I am writing in response to the request for further information during my appearance before the committee on Thursday 6<sup>th</sup> October 2022.

Please accept my apologies for the delay in getting back to you. My response to each of the requests is below.

In response to Colin Beattie's question relating to the number of vacant posts/ number of staff inexperienced in sponsorship and the percentage volume of churn in comparison to a year ago.

The sponsorship staffing numbers referred to in the Progress Review of Scottish Government Relationships with Public Bodies was gained from a Public Bodies Support Unit (PBSU) data gathering exercise which showed that in September 2021 there were around 200 staff in bands A-C involved in sponsorship activity across SG (excluding sponsorship of Health Boards). As sponsorship duties don't in every instance make up the total duties of staff members this approximates to 100 full-time equivalent staff in total, of whom more than 33 full-time equivalent staff were at C band. I can confirm that a comparable data gathering exercise reveals that as of October 2022 these overall numbers remain similar.

Unfortunately I'm unable to provide a detailed comparison on vacant posts/ number of staff inexperienced in sponsorship, or the percentage volume of churn. The Progress Review's comments on these areas are based on the result of qualitative feedback gained from interviews of those listed at Annex B of the report.

While quantitative data was not gathered at the time, PBSU was made aware of three vacancies across all SG sponsorship teams as part of their data gathering exercise. PBSU has currently noted five vacancies across all SG sponsorship teams, all of which are in different sponsorship teams to those previously noted.

## In response to the Convener's question on Scottish Rail Holdings.

In December 2019, it was announced that the Abellio ScotRail franchise would come to an end in March 2022, and detailed analysis was subsequently carried out to assess the options for securing continued provision of ScotRail passenger services beyond the end of the Abellio franchise.

It was announced in Parliament on the 17th March 2021 by the then Cabinet Secretary for Transport, Infrastructure and Connectivity that Operator of Last Resort (OLR) arrangements – which would see ScotRail services provided by a wholly-owned company of the Scottish Ministers – would be deployed from the end of the Abellio ScotRail contract.

At the time, the following strategic principles guided the work to define the appropriate governance model for rail operations under Scottish Government control:

- Accountability to the Scottish Ministers (via Transport Scotland), with an appropriately clear distinction between the Scottish Government's role as strategic policymakers, and the delivery organisation's responsibility for the day to day operation of ScotRail services.
- Enabling efficient and effective delivery of services, with ease of implementation and value for money.
- Flexibility to accommodate future change to rail industry arrangements and/or structure, either in Scotland or as part of wider reform, for example, through the Shapps-Williams Rail Plan, as it may apply to Scotland.

It was also a requirement that any arrangements should comply fully with the requirements of the Scottish Government Finance Manual and all relevant Scottish Government policies.

After detailed analysis of a range of options, the Scottish Ministers decided that the governance structure which was considered to best meet their obligations under Section 30 of the Railways Act 1993, aligned with the strategic principles detailed above, was a linear structure whereby:

- ScotRail Trains Limited (SRT) is the operating company which is responsible for the operational delivery of ScotRail passenger services. SRT is a wholly owned subsidiary of Scottish Rail Holdings Limited (SRH).
- SRH is the holding company, wholly owned and controlled by the Scottish Ministers, which acts as the owning group of the operating company, and provides separation between Transport Scotland as strategic policymakers, and the day to day management and oversight of train service delivery for SRT. A Grant Agreement is in place between SRT, SRH and the Scottish Ministers which sets out roles, responsibilities and obligations.
- Scottish Ministers, via Transport Scotland, are the funders and sponsors of SRH, and a Framework Agreement is in place which sets out the roles, responsibilities and obligations of the parties.

The mobilisation of, and transition to, OLR arrangements for ScotRail was successfully completed for 1<sup>st</sup> April this year as the Abellio franchise came to an end.

SRH has filled all posts in the organisation, a total of 17 members of staff, and has attracted employees and secondments both from a variety of rail industry organisations, and also from external to the rail industry.

A number of officials transferred from Transport Scotland to SRH, reflecting the new 'home' for operational oversight functions previously carried out by Transport Scotland, and helping to ensure retained knowledge and continuity within the new structure.

A new sponsorship function was set up in the Transport Scotland Rail Directorate to act as a central point of contact between SRH and Transport Scotland, the wider Scottish Government and Ministers. The sponsorship team provides advice to Ministers, manages appointments to the SRH board, maintains an on-going relationship with the SRH board and management team, and monitors the performance of SRH.

In response to Willie Coffey's question on project management being embedded into the thinking of all organisations.

As is outlined in the terms of the Scottish Public Finance Manual (SPFM), Senior Responsible Owners must adhere to the Scottish Government's Project Delivery Principles. However, I do not think we would be able to mandate an approach to project management across all public bodies as it is ultimately for each public body to decide the best way to deliver their projects based on their knowledge of what needs to be done.

There is, however, a wealth of guidance and advice available to public bodies that the Scottish Government provides. For example, the Scottish Government's Portfolio, Programme and Project Assurance team manages and arranges assurance reviews for major investments as defined in the SPFM. Review teams would consider standards such as:

Scottish Government Project Delivery Principles;  
Project Delivery Functional Standard;  
SG Project Capability Maturity Matrix; and  
Project Delivery Professional Standards such as the Association for Project Management and the Project Management Institute.

Specific information on what projects need to do to comply with the Technology Assurance Framework and Digital Standards can also be sought from the Digital Assurance Office. Additionally, the Project Delivery Capability Team also provides information and can signpost public bodies to the relevant standards.

I hope the above information has been helpful and suitably answers the Public Audit Committee's requests for further information.

If there is anything further required please don't hesitate to get in touch.

Yours sincerely,

**PAUL JOHNSTON**