

JUSTICE COMMITTEE

Tuesday 6 October 2009

Session 3

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JUSTICE COMMITTEE

27th Meeting 2009, Session 3

CONVENER

*Bill Aitken (Glasgow) (Con)

DEPUTY CONVENER

*Bill Butler (Glasgow Anniesland) (Lab)

COMMITTEE MEMBERS

*Robert Brown (Glasgow) (LD)

*Angela Constance (Livingston) (SNP)

*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)

*Nigel Don (North East Scotland) (SNP)

*Paul Martin (Glasgow Springburn) (Lab)

*Stewart Maxwell (West of Scotland) (SNP)

COMMITTEE SUBSTITUTES

Aileen Campbell (South of Scotland) (SNP)

John Lamont (Roxburgh and Berwickshire) (Con)

Mike Pringle (Edinburgh South) (LD)

Dr Richard Simpson (Mid Scotland and Fife) (Lab)

*attended

THE FOLLOWING GAVE EVIDENCE:

Doug Cross (Association of Chief Police Officers in Scotland)

Chief Constable Stephen House (Strathclyde Police)

Allan Macleod (Strathclyde Police)

Ken Ross (Fire Brigades Union)

Chief Constable Pat Shearer (Association of Chief Police Officers in Scotland)

John Speed (Prison Officers Association)

Calum Steele (Scottish Police Federation)

Dave Watson (Unison)

CLERK TO THE COMMITTEE

Andrew Mylne

SENIOR ASSISTANT CLERK

Anne Peat

ASSISTANT CLERK

Andrew Proudfoot

LOCATION

Committee Room 2

Scottish Parliament

Justice Committee

Tuesday 6 October 2009

[THE CONVENER *opened the meeting in private at 10:06*]

11:32

Meeting continued in public.

Budget Process 2010-11

The Convener (Bill Aitken): Good morning, ladies and gentlemen. I welcome everyone to the public meeting of the Justice Committee. I remind everyone to switch off mobile phones.

I advise all present that the agenda item on the committee's approach to the Legal Services (Scotland) Bill has been dealt with in private, in accordance with a decision that the committee took this morning.

Our main agenda item is scrutiny of the draft budget for 2010-11. This is our first scheduled oral evidence-taking session on that subject. I should explain that, although the committee agreed last week to invite three panels of witnesses, it was possible in the time available to arrange only two panels for today's meeting. We hope to finalise the third panel—on community penalties—for our next meeting, which is scheduled for 27 October.

I welcome our first panel of witnesses: Chief Constable Pat Shearer, who is president of the Association of Chief Police Officers in Scotland; Doug Cross, who is chair of the ACPOS finance management business area; Chief Constable Stephen House of Strathclyde Police; and Allan Macleod, who is director of finance and resources for Strathclyde Police. We had invited Councillor Paul Rooney, who is the convener of Strathclyde police authority, but, unfortunately, he is unwell and, as such, is unable to join us. We hope that he makes a speedy recovery.

I invite Chief Constable Shearer to make an opening statement.

Chief Constable Pat Shearer (Association of Chief Police Officers in Scotland): The committee asked of us three specific questions, so I will refer to them briefly. First, on the importance of ensuring the continued quality and potential of police recruits, I can say broadly that we are experiencing no problems with either the level of interest shown or the quality of those who apply to join the police service. The number applying far outweighs the number of positions that are

available, so recruiting is generally going very well. In recent months, the pool of individuals who are interested in joining the service seems to have widened. Things are quite positive in that respect.

Secondly, we were asked specifically about the accounting arrangements for police and fire and rescue service pensions. Doug Cross will be able to give further detail on police pensions, but I understand that the arrangements are progressing and will be fully in place by April 2010. In effect, that will centralise the arrangements for police budgets.

Thirdly, we were asked about efficiency savings. I will update you on the most recent results for 2008-09. The total cash efficiency achieved for that period was £29 million, which was above our target. The challenge, however, is for us to maintain those levels of efficiency savings and we might speak about that in more detail.

We have seen a change in police funding in recent years since ring fencing has broken away. Although there remains a separate budget line for specific police grant, the removal of grant-aided expenditure has opened up police finance arrangements. One of our concerns for the future is that it is not clear whether each force will have to negotiate with the local authority for its share of the budget, given that the 49 per cent-51 per cent arrangement no longer exists. That is one of the uncertainties. Although we are talking about the detail of our future budgets, there is still a great deal of uncertainty about the exact level for 2010-11; we are working our way through that.

The fact that police funding is no longer ring fenced opens up uncertainty for us—particularly for the future—about how important the police service is to the country and whether it should be left to the uncertainty of local negotiation. That is probably a point for consideration.

That is as much as I want to say at the moment; I am happy to take questions.

The Convener: That was very useful. You have anticipated some of our questions. There will be questions specifically for Strathclyde, at which stage Chief Constable House can be involved.

Bill Butler will start, although he has probably heard some of the answers to his questions.

Bill Butler (Glasgow Anniesland) (Lab): Good morning, gentlemen. The Scottish Government published figures earlier this year that indicated that by the end of June, there were 1,000 more police officers in Scotland than there were in June 2007. Do you expect the increased numbers to be sustained through 2010-11? I invite Chief Constable Shearer to have first cut at that.

Chief Constable Shearer: You probably made the question easier by restricting it to 2010-11—

maintaining numbers will be a challenge for us during that time. At the moment, we do not know exactly what level of budget local authorities will feed through to every police force. The big challenge is to maintain our numbers. We could get to the position where we are just about level in 2010-11, but looking beyond that point, it is important to be realistic. Every forecast that we look at shows cuts in the public sector somewhere in the region of 12 per cent over the next three to four years. If that is the case, some adjustments will have to be made to the profile because it cannot happen overnight. I suppose the question is: how important is policing? Our real desire is to maintain numbers at their current level and, more important, to maintain performance and improve it.

Bill Butler: I understand that maintaining numbers and performance is your aspiration and desire. I am restricted to asking about the situation in 2010-11; another committee member will ask about further in the future. However, you said that it would be a challenge to maintain numbers because you are not yet certain what level of budget each police force will get. I am sure that each police force will have estimated the range of budget that it hopes to get. If estimates turn out to be roughly correct, will it still be a challenge or will it be down to the wire in being able to just maintain numbers and the quality that we all want?

Chief Constable Shearer: If the estimates are correct and we get what we want, we should just be able to maintain our levels. There will be no difficulties with the quality of the service, because significant numbers of people are still interested in joining the service. However, there is no doubt that things will be really tight. The challenge for us is to maintain the front-line numbers.

Bill Butler: You say that things will be really tight. We have just assumed the best, but let us assume the worst. Is there any possibility that you will not be able to maintain numbers throughout 2010-11?

Chief Constable Shearer: Yes, it is a possibility. It would be foolish of me to sit here and say, "Absolutely, we are able to maintain our numbers." However, our real desire is to work at that level. Every force will have looked at profiles of what it might mean if budgets are not at the level that is hoped for.

Bill Butler: Is that situation a possibility just on the edges, almost 50:50 or right down to the wire? Is it edging towards being a probability?

Chief Constable Shearer: I suppose the difficulty today is exactly what our budget settlements will be. Every force will have looked closely at budgets and done scenario planning to forecast how much budgets will drop by if they are not quite on the line. A realistic picture is being

taken so that we can flex our numbers as required, but we certainly do not anticipate increasing them.

Many of the forces have direct funding for extra police numbers from local authorities. I would be interested to hear the local authorities' view of that when budget cuts start to bite.

Bill Butler: Does anyone else want to have a shot at those questions about 2010-11? Other members will ask about future years.

Chief Constable Stephen House (Strathclyde Police): The overall answer to your question is yes, I think that we will be able to maintain numbers. However, to use the same language that Pat Shearer used, it will be a challenge. The extra funding of £6 million to bring in officers next year will assist in that, but that is not the real question. We have just over 8,000 officers in Strathclyde; as Pat Shearer mentioned, some of those officers—currently 193—are funded by local authorities. I have to speak to the 12 local authorities in Strathclyde to assess their mood and how they feel about funding, which is becoming clearer.

Some time back we published best and worst-case scenarios for 2010-11. The best-case scenario was a deficit of £12.5 million; the worst case was a deficit of £34 million. As we get closer to 2010-11, we know that we are much nearer to the best-case scenario, but the deficit will still be around £16 million to £18 million. We will be able to make certain efficiencies and we already have in place some plans to make up that deficit.

If I am restricting myself to 2010-11, and if the world were to end then, I am happy to say that we could keep up the numbers for that year as long as the 12 local authorities did not surprise us. However, if the world did not end, I would have to align myself with what Pat Shearer said—we cannot lose officers rapidly and if we cannot meet the budgets in following years, there might be a drift down in numbers, but that would happen at the back end of the year and not in 2010-11. I think that we will maintain current numbers in that year although we will not increase them, unfortunately, unless local authorities surprise us in the other direction, which is not likely.

Bill Butler: I am grateful for that. As my questions were restricted to 2010-11, it will be interesting to hear your responses to my colleagues, although we can probably all guess what they will be.

The Convener: We anticipate that the forthcoming financial year might have some difficulties, and that the picture thereafter will be somewhat bleaker. To explore that further, I invite Angela Constance to ask the appropriate questions.

11:45

Angela Constance (Livingston) (SNP): Gentlemen, I am interested in the scenario in which the world does not end in 2010-11. Do the spending proposals for the police in 2010-11 provide a firm foundation for sustaining police numbers beyond March 2011? Perhaps Mr Shearer will start.

Chief Constable Shearer: Like you, I hope that the world will not end in 2011. Looking beyond then, however, we must be realistic, because every prediction suggests that there will be a significant reduction in the public sector budget. If that is passed on across the range of public sector organisations, there will probably be a 12 per cent reduction in three or four years. In addition, it is important to understand that demand in the police service over that period is estimated to continue to grow—it could grow by as much as 8 per cent. There could therefore be a gap between resources and demand of about 20 per cent after four years. I therefore think it unlikely that, under the current arrangements, we will be able to maintain our numbers during that time. Local authorities will be unlikely not to pass on to us the reductions that they suffer. That may invite a change of position for the Government regarding whether it should consider reverting to ring fencing. It depends on how policing is valued in challenging times.

Angela Constance: May I ask you a somewhat obvious question? Can you say a bit more about what you based your predictions on? I can guess, but it would be useful to hear a bit more about that.

Chief Constable Shearer: The predictions are from a range of areas. We considered the Government's best current predictions and presentations from others. The Westminster Government estimates that growth in excess of 3 per cent will be returned by 2011. We have never been in that position in the past eight to 10 years, so I think that it is unrealistic to estimate that.

We have considered roughly how the deficit will have to be repaid. We went into a fair amount of detail at a full-day conference with chief constables at the Scottish Police College three weeks ago, at which the Improvement Service gave us details of its estimations and budget. We are probably taking a middle-line approach to the best and worst estimates. However, we must be realistic and accept that there will probably be around a 12 per cent reduction in the public sector budget three or four years down the line. As you know, a lot depends on how that is viewed centrally and what change there may be in Government. There might be acceleration in the repayment of some of the debt. It is important that we understand all those aspects. Undoubtedly, if the current arrangements continue, it is unlikely

that local authorities would not pass on significant parts of the cuts to us.

Angela Constance: Do other panel members want to comment?

The Convener: Mr Cross might have something to add.

Doug Cross (Association of Chief Police Officers in Scotland): On whether the 2010-11 budget provides a firm base for going forward, a significant factor for police officer numbers is that the Scottish Government funds the 1,000 additional officers. The first important point is whether that funding will continue. Secondly, as Pat Shearer said, there is uncertainty regarding the local government settlement and how that will impact on the constituent authorities, how they in turn will consider the pressures and how that will impact on the police budget. Thirdly, we have been fortunate enough to generate significant efficiency savings, which we have been able to reinvest in the policing service to augment operational delivery. Some of that has contributed to the increase in police numbers. If we have to use efficiency savings in times of much stricter financial settlements to meet budget cuts, it will not be possible to maintain the additional police officer numbers that have come from the efficiency savings.

Angela Constance: Do other members of the panel wish to add anything?

Chief Constable House: Most of it has been said, frankly. However, as members are well aware, our difficulty is that 90 per cent of police funding is for people, whereas funding for people in local government tends to be about 60 or 65 per cent. The police therefore have much less to play with. ACPOS is very interested in Arbutnott's look at sharing services and joint working, as is Strathclyde. Efficiencies can therefore be seized, but that quickly translates into reducing the numbers of people. As I said, we have just over 8,000 officers, and we are determined to maintain that number. However, the question is how we do that. I do not sign up to the view that police numbers are an artificial construct, or an artifice, and that it is really about results and outcomes. If we manage effectively, we get better outcomes with the right number of people. The number of police officers is therefore vital. We will do all that we can to protect the number of police officers that we have. We will not go to that as the first card in the pack and say, "Right, we'll have to reduce that." We will try to do everything else that we can first, before we do that. However, the 90 per cent figure does not leave an awful lot of room for us to go anywhere else.

Angela Constance: Mr Cross somewhat anticipated my next question. Mr Shearer referred

in his opening remarks to £28 million in efficiency savings and said that it would be a challenge to maintain that level. What progress is being made with efficiency savings, and what scope is there for further efficiency savings in 2010-11 and beyond?

Doug Cross: As you rightly point out, the forces collectively generated savings in the region of £29 million in 2008-09 against a target of £17 million. Obviously, it is encouraging that we managed to identify an additional £12 million of savings. Most of the savings came from considering staffing and asking whether functions could be performed more effectively. Some structural changes therefore contributed to about £6 million of the savings. Civilianisation of posts that did not require police powers saved another £6 million, but some of that money has been reinvested in additional police officers. Sickness absence across the eight forces generated savings of about £2.7 million. Procurement generated about £2.2 million, and a one-off sale of property generated £2.6 million. All those areas accounted for about 90 per cent of the savings that were generated.

On the scope for additional savings, there are always opportunities to consider ways in which we can work better. As Stephen House said, we are interested in considering effective ways of sharing services. We think that those have to be built on sound business cases, but we will actively consider how some of the support functions in the police are carried out. However, it is fair to say that we are finding diminishing returns in some efficiency saving areas. We have been working collaboratively in the police for a number of years in areas such as procurement, uniform, equipment and vehicles. We have generated a significant amount of savings over a number of years, not only in 2008-09. However, the returns on some of those areas are starting to pinch a wee bit.

We are keen to work with all our partners in local authorities and other emergency services wherever we can to identify areas in which we can improve on procurement and generate more savings. We will have to look at those areas, but the big saving for us comes from better use of our resources, the most important of which is obviously police officers. It is about being able to work smarter with those officers, looking at areas such as mobile data and integrated operating systems whereby we do not have to feed information into the systems more than once. That requires a bit of investment from the centre. However, with that investment we could generate significant time savings so that officers can be out on the streets, doing their job. We must work smarter and use the resources at our disposal as best we can.

Angela Constance: Thank you. Does any other member of the panel wish to add anything?

Allan Macleod (Strathclyde Police): It is important to distinguish between efficiency savings and their application in closing a budget deficit. If efficiency savings must increasingly, as we expect, be applied to close future budget deficits, that must have an implication for staff numbers. If we must release cash to close that gap, we must look at the level of resources. At the moment, we have been successful in reinvesting freed-up resources, particularly the time of police officers and support staff. However, if it is necessary to generate the cash equivalent, we need to consider reducing the numbers. There is a danger that, because of our success in the past, there may be a perception that, if we continue to generate the same level of efficiency savings, that will go a long way towards closing a budget deficit. However, a clear distinction must be made in considering the implications of that strategy.

Paul Martin (Glasgow Springburn) (Lab): Chief Constable House, let me take you back to the point that you made in connection with the need to maintain the numbers at 8,000. It touches on a point that Mr Macleod made, as well. If we are unable to do that, will that result in the possibility of redundancies for police officers? Is that scenario a possibility if we have to reduce staff numbers?

Chief Constable House: For technical reasons, that is not a possibility. We cannot make police officers redundant because we are not, by that strict definition, employed in the first place. However, it would result in police support staff redundancies, either voluntary or compulsory. We would make those staff redundant first. We would also slow down the recruiting tap. We are at the back end of the 30-year Edmund-Davies effect. There was a big increase in the number of police officer recruits 30 years ago, and they have now reached the end of their pensionable service. As they left, we would not replace them. In the past 12 months, Strathclyde Police has recruited 1,400 officers to grow but also to replace the officers who have left through natural retirement. If we had a budget deficit that we could not fill through efficiencies or any other measure, we would simply not replace the officers who retired and the number of officers would start to drift down in that way.

We are slightly at the mercy of how many people retire—the average for Strathclyde Police is about 30 officers a month retiring—but, at the moment, we replace them and add some. If we did not have the money, we simply would not be able to replace the officers who retired and the number would drift downwards.

Paul Martin: So, if those particular figures did not match the police numbers—if there was still a deficit after that process of slowing down

recruitment—it would be the support staff who would face any cuts that had to be made.

Chief Constable House: No. I am afraid that I take a fairly clear position on that. The public want to see police officers; therefore, we would turn first to the police support staff for voluntary redundancies. Strathclyde Police already has a voluntary redundancy policy in place and we would seek to use that. At some point, if we could not balance the books, we would have to consider compulsory redundancies. I would look to shrink the police staff numbers before I shrunk police officer numbers. Reducing police officer numbers would be my last resort.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I am surprised by that answer. In the past, we have heard that having support staff behind the scenes, back at the base, assists the police in carrying out their duties. Do you want to respond to my surprise at your statement?

12:00

Chief Constable House: I am happy to respond to your surprise. I agree with you entirely. The work that police support staff do behind the scenes—sometimes it is not behind the scenes but out at the front—is vital to us. I am saying that such staff are a need-to-have rather than a nice-to-have, but when it comes to a choice between reducing the number of police officers and reducing the number of police staff, I will choose to reduce the number of police staff and to retain police officers, because police officers offer a flexibility of deployment that police staff do not. By law, I can tell any of my 8,000 officers that I want to change their duties. I need to give them relatively little notice, as long as there is a reasonable reason for taking such action. With police staff, we do not have that ability. We employ people to do particular tasks, such as input on a computer. I cannot say to them one week, “I now need you to be a custodian of prisoners,” because it does not work that way. With police officers, it does work that way—it is possible to do that.

I might complicate matters by saying so, but police officers currently do many jobs that I would rather have police staff doing. That would release those police officers on to the street, but unfortunately it would require a cash injection, and I do not see many of those coming along in the next few years. I can understand your surprise, but I will retain police officers above all else. When I have nowhere else to go, I will start to reduce the number of police officers, but it will not be the first option.

Cathie Craigie: In answer to another question, you said that 90 per cent of the budget went on people—that figure probably relates to Strathclyde

Police. Do you know what percentage of the budget is spent on police officers and what percentage of it is spent on backroom staff? I would like to have that information for the Strathclyde area and for the whole of Scotland, if ACPOS can provide it.

Chief Constable House: For us—and I do not think that it would be very different for other forces—the ratio is about 4:1, so for every £1 we spend on police staff, we spend £4 on police officers. We spend the vast predominance on police officers.

The Convener: I want to ask about the Scottish Police Services Authority and its somewhat vexed history, which all members of the committee have been disappointed with. Has there been any improvement in relationships? One would hope that that would enable savings to be achieved on a Scotland-wide basis, which might help everyone's budgets.

Chief Constable Shearer: I doubt that significant savings will be delivered in the next two or three years. The challenge for the SPSA is to stabilise and support services at the current level.

In the context of efficiencies, reference was made to integration of information technology systems, the use of mobile data and so on. Each of those can deliver significant efficiencies for us in the future, but not tomorrow. It will be at least 12 to 18 months before some of them start to provide benefits, so there is a bit to go. I think that the SPSA would agree that its focus should be on stabilising the business and supporting the existing systems. Once that has been done, it can assist us with one or two key priority areas for development.

The Convener: Cathie Craigie has a further point on that.

Cathie Craigie: I have questions about every paragraph, never mind every page, of ACPOS's submission, but we do not have the time to deal with them.

In paragraph 4.9, you say that the service is

“experiencing increasing demands and burdens which have not been fully provided for in the 2010/2011 or previous settlements.”

You highlight that as a bullet point in a previous paragraph. Will you say a wee bit about that? Obviously, the committee wants to be aware of burdens that might be placed on the police by the budget and or any other legislation that we might pass.

Chief Constable Shearer: Let us look at some of the areas that we highlight. In the management of sex and violent offenders, greater awareness and responsibility are being developed all the time.

The increasing fluidity of our population makes the management process more challenging, with the result that demands, not just for our service but across the agencies, are more significant.

In the current phase of implementation of the new licensing laws, extra demands have been placed on the service by the range of new arrangements, the licensing of individuals and so on.

With regard to the public protection element, one of our main responsibilities—one of the main responsibilities of everyone in the public sector—is the protection of our children. The arrangements that are associated with the getting it right for every child agenda are demanding and challenging to work to, but it is important that we get them right. A great deal of resource and effort is therefore going into that area—we do not want to take a light approach to that at all.

Cathie Craigie: Do you feel that the draft budget does not take account of the burden that you have to undertake in that regard?

Chief Constable Shearer: I do not think that it has, in the past, and the difficulty is that we do not know what the budget will be for 2010-11. Undoubtedly, that is a growing area for us, but it is probably one of the areas in which, if we are going to be successful in meeting our challenges, we will have to ensure that our partnership working is improved, so that we can deliver on some of our priorities. Our service and other agencies should challenge one another to work together in better ways, so that we can deliver on those priorities.

Cathie Craigie: You talked about issues around ring fencing and the ways in which local authorities make decisions. In last year's allocations, did local authorities supply the police authorities with the budget that had been intended?

Chief Constable Shearer: Absolutely. The local authorities across the country supported us well. However, that was in a position of growth, and we are now seeing a levelling off of that position. Local authorities will face a challenge in the face of the £174 million saving that must be achieved in the 2010-11 budget. How much of that will be passed on to our service? As we go beyond 2011, a requirement to make savings will undoubtedly be passed on. That is why we raised the issue of ring fencing. If we are not careful, we could end up with a range of approaches being taken by local authorities across the country. That situation will be quite difficult for Stephen House, who will have to deal with 12 separate authorities.

Doug Cross: As Pat Shearer mentioned, local authorities were as supportive as they could be last year in meeting their share of the funding. However, one of the challenges that faced local authorities and us last year was the fact that not all

of the funding for police pensions was in the police settlement. That pensions problem was shared between local authorities and police forces to varying degrees. We will not have that particular problem in 2010-11 because of the new pension arrangements, but the ways in which various local authorities deal with their share of the £174 million cuts will bring about another set of problems.

Stewart Maxwell (West of Scotland) (SNP): I understand that additional funding from the Government has resolved the pension problem. Is that correct?

Doug Cross: Yes. That will not be an issue for 2010-11.

Stewart Maxwell: The ACPOS submission mentions that there are additional costs in relation to the management of sex offenders and violent offenders. What exactly are those additional costs? The staff and officers are in place, after all. Do the additional costs involve extra paperwork? Could you quantify them?

Chief Constable Shearer: The costs are difficult to quantify. Over the years, we have developed the process of managing sex offenders to apply to the formal management of violent offenders. That was not on the official radar in some respects and, while it might have been being done in other ways, a much more structured approach is now taken to the management of violent offenders, so there is more paperwork and the necessary support elements need to be in place to ensure delivery, not just in the police service but across social work and criminal justice. It is difficult to quantify, but there is a definite additional burden and responsibility in that respect.

Stewart Maxwell: I acknowledge that things have been formalised and that there is now an increased focus. I am thinking specifically about your responsibilities, rather than social work and so on. I understand that the arrangements are more focused and formalised, with a more formal paperwork process and paper trail. You said earlier that about 90 per cent of your costs are your staff. Those staff must be paid, regardless of whether the process that they follow is formal or informal, and of whether or not we change the management of sex offenders or violent offenders. What additional costs do the police have to bear because of such changes? I am not clear what the additional costs are, given that the staff are already in place.

Chief Constable Shearer: We are probably talking about additional staff. As soon as a structure is put in place to replace what might have been an informal and less rigorous approach to the management of violent offenders, there will undoubtedly be additional costs. I cannot quantify

that for you at the moment, but there are undoubtedly additional responsibilities.

Stewart Maxwell: I do not want to labour the point, but it would be helpful if you could quantify, or at least attempt to quantify, how many additional staff you had to recruit to deal with those additional demands. That would help us to understand what budget changes have resulted from those changes in managing violent offenders.

Chief Constable Shearer: Could we come back to the committee on that?

Stewart Maxwell: Yes, absolutely.

The Convener: It would be helpful if you could write to us about that.

We will move on to some specific questions about Strathclyde, as you might have anticipated given some of the press coverage of what is a significant deficit. Chief Constable House has anticipated some of the questions, but Robert Brown will pursue our questioning.

Robert Brown (Glasgow) (LD): Before I continue, I return to Chief Constable House's earlier comments about what might happen in the event of budget pressures and a reduction in staff.

We all understand the need and desire to keep up police numbers. Presumably, the lesser cost of support staff is factored in, especially given the fact that support staff release police officer time. Can you genuinely view the issue of numbers as one that concerns police officers alone, with budget considerations being focused on support staff? I share Cathie Craigie's surprise at your earlier observations, and I would like you to give us a bit more insight into them.

Chief Constable House: There was a general view in policing that the sum of cash that was used to employ one police officer could be used to employ two members of police staff. One police officer would no longer be employed, and the salary saved could be used to buy two members of police staff. They could be given jobs that had been done by officers, which would release two police officers on to the street. That was the obvious managerial option but, although it is a fine concept, it does not work in reality. For a start, police staff are no longer paid at such a level. The uplift from putting police staff on shift work is usually about 20 per cent, which raises those staff to a level at which they are being paid the same as probationary constables. I ask you to look at the community support officer posts that are widespread in England and Wales. Community support officers get paid more than starting probationary constables. There is not a huge financial benefit in that approach.

There is also a flexibility issue. Police staff are employed to do a particular job, and they are not

really redeployable. There might be some circumstances in which they are, and they can be retrained, but they are not as flexible as police officers are in providing the service. We require all police officers who are working in office jobs to spend at least 12 days a year—we prefer more—patrolling operationally on the streets. We cannot ask police staff to do that, as it is not in their terms of employment.

12:15

A sensible approach is one of balance. If I were in receipt of income, I could say to myself, "I'm going to identify an income stream and carry out workforce modernisation. I will employ more civilian staff and release police officers to the street and, as part of that, I might be prepared to see some drifting down of police officer numbers if I knew that, operationally, I was putting more cops on the street." However, we are not in that situation; I do not have that money. The only way that I could do that would be by letting police officers go and using their salary to employ police staff. That is not an approach that I would undertake, because I want to keep police officer numbers up.

We have a vision of policing in Strathclyde that is based on community policing. We have gone from having 500 community cops to having 1,200 community cops in the past 18 months. They are on the street in uniform, which is where the public want them. I need police officer numbers to police Strathclyde. I need good support staff supporting them, too. I am not in any way demeaning support staff, because they are vital to our work, but police officers are the backbone of the force and that is why I need to keep their numbers up.

Robert Brown: I am not disputing that. I am suggesting that if you take away support staff, the end result is similar; time has to be found for police officers to do the work that the support staff did previously. Presumably, the effect in terms of physical presence on the street has to be taken account of. I confess that I would have expected a slightly more balanced approach between the two sources of staffing.

Chief Constable House: That is true in some cases, but not in all. If you factor in the idea of sharing functions with local authorities and so on, we would lose support staff and turn to local authorities and ask whether they could provide the service for us. Obviously, we would have to pay a certain amount and we would transfer a certain number of police staff. In reality, we are saying that we might need to stop carrying out certain functions that we carry out at present. Most of those are support functions carried out by support staff.

Robert Brown: I want to return to the budget report that went before Strathclyde police authority in August. The report identified that there was a shortfall in 2009-10 of about £7 million, which you said that you had met through efficiency savings. You also said that the equivalent figure for 2010-11 was looking like £16 million to £18 million. That rather suggests some sort of structural deficiency in the budget arrangements. What is the reason for the £7 million shortfall and the £16 million to £18 million shortfall? What makes it up? Where does it come from?

Chief Constable House: The reason for the £16 million shortfall, and the shortfall for the next couple of years, is that we have a nationally agreed police pay deal that has given pay increases of a couple of per cent each year, but our budget is not keeping up with that and there is a public sector spending squeeze, which we all understand and are trying to cope with. The people costs are going up and the budget to pay for them is dropping away. That gap is what we identified in our August paper.

Robert Brown: I want to push you a bit further on that. We are not quite into the spectre of public sector cuts in relation to this year's budget or, to a more minor extent, in relation to 2010-11. Presumably those police pay increases were factored into the budgets that Strathclyde police authority was working with. Why does that sort of deficit emerge as the year goes on? Was it not anticipated?

Allan Macleod: In constructing the 2009-10 budget it was necessary for the force to look at budget cuts of up to £12 million. The settlement, both directly from the Government and from the local authorities, was not sufficient to meet the anticipated funding needs of Strathclyde police authority. The force itself had to generate £11 million of savings. There was the opportunity, in managing the budget from the previous year and in managing this year's budget, to identify £7 million towards that £11 million—that money was of a one-off nature. The balance was then dealt with by managing down certain savings within the existing budget. We therefore knew, in running forward this year's budget to next year's budget, that we had—as a starter for 10, so to speak—a £7 million deficit. Those one-off cuts, or savings, will not be available to the authority in 2010-11, and the authority was aware of that when it approved its 2009-10 budget. The purpose of the August paper was to remind the authority that that task was outstanding; to project what additional funding deficit might emerge in 2010-11; and to predict the impact of local authority funding, matched against the anticipated needs and the inflationary pressures that the authority would face going into 2010-11. Those £7 million cuts have to

be replaced before we even begin to address any additional funding pressures in 2010-11.

Robert Brown: That is really the point that I am getting at—it sounds as if there is a structural deficiency in the budget before you begin. Even if you produced what were standstill budgets in real terms, the deficit would simply be carried forward; you would still have to find replacement efficiency savings of some type. That will be the position year on year on year, even if everything else is even, and before you take into account any cutbacks. Have I got that broadly right?

Allan Macleod: Your comments are correct at face value, but there is not necessarily a structural fault. We knew that there was a budget deficit, and initiatives and action were taken in the force to generate more efficiency savings.

We were—and are—anticipating more efficiency savings year on year. It would not be prudent to cut the level of service in 2009-10 if we knew that we could generate savings. For example, the chief constable has initiated a rationalisation of supervisory police ranks by streamlining and reducing the number of superintending and inspector ranks with a view to bolstering the level of police constables. Those savings will flow through as senior ranks retire, but we cannot force people out of the door. We can anticipate when those savings will flow; and we anticipate that the savings from that type of initiative will hit the force next year. There is no need for us to endorse a permanent reduction in service delivery if we have one-off savings that can plug the gap this year.

Robert Brown: I appreciate that it is not an exact science, and that these things do not work out exactly as predicted. As I understand it, you are saying that in 2009-10, one-off savings—non-repeating savings, in other words—were the basic way of cutting the gap. However, you still have a gap that will have to be met either by one-off savings next year, and each year after that, or by more permanent savings that will feed through into a reduction in the cost line—or whatever—thereafter. Is that right?

Allan Macleod: Indeed, and we were anticipating that those on-going savings would emerge through the action that we were taking. We did not do nothing; we were addressing the fundamental issue of the £7 million deficit, and we are confident that that element will be met from efficiency savings that will generate true cash savings in 2010-11.

Robert Brown: But you are currently working on the basis of a £16 million to £18 million deficit for 2010-11, which you say that you will be able to deal with by the end of the year. Will that be done by way of repeat savings—things that will be sustainable over time—or by using one-off

efficiencies to plug a gap that is permanent rather than temporary?

Allan Macleod: The strategy for 2010-11 is evolving, and it is clear that an important element of that will involve knowing exactly what our funding situation will be. I anticipate that the overall strategy will involve a combination of on-going real permanent savings and—where the opportunity arises—one-off savings. That is the nature of managing any budget: there is always a mixture of both, and you take advantage of what is available. The important thing is that we do not rely too much on one-off savings or forget what part of the budget strategy they form, because otherwise they will creep up and hit us the next year and the year after, and so on. We are constantly reviewing those—that work is a feature of the public sector, whether we are talking about the police service, local government or whatever.

Robert Brown: To echo Stewart Maxwell's earlier point about pensions, am I right in understanding that they are out of the equation and no longer an additional pressure because of the arrangements that will be in place from 2010-11 onwards?

Allan Macleod: Indeed. The expectation is that there will be a zero effect in terms of funding the resources that are transferred from local government and the police service to central Government, and that there will be no on-going impact on police budgets from next year.

Robert Brown: Finally, the 6 August report to Strathclyde police authority has a schedule attached indicating the cost of the service and the growing deficit into future years. As far as I can see, it broadly assumes that the levels of grant of one sort or another that are coming in will remain static without any real-terms increases as operational costs go up. What are the major pressures on operational costs? Are they purely staff pay rises that are built into the system, or are there other pressures, forgetting for the moment about the local authority uncertainty that might affect them?

Allan Macleod: The main pressure that will affect the outcome of that projection is pay inflation. The expectation of a 2 per cent pay rise for police and support staff was factored into the demand side. Who knows what the actual awards will be? If they are less than that, that will clearly have an impact on the projected deficit.

There are always other inflationary pressures, but the expectation is that they can be managed within the overall budget, perhaps through efficiency savings. There is always an element of savings and increased cost pressures.

On the funding side, as you have identified, the projection was based on no real increase in

funding either from the Government through specific grants, or through the local authorities.

Robert Brown: I am sorry, convener, I should have asked this very small question. Why is the on-going deficit increasing from £7 million this year to £16 million to £18 million next year?

Allan Macleod: We expect wage inflation for police and support staff, as a pay increase is already agreed for next year and, for police officers, it is slightly ahead of any likely increase in funding. There is an inflationary pressure there that will not be met.

We also anticipate that Strathclyde's 12 constituent local authorities will find it extremely difficult to maintain their current level of contribution to Strathclyde police authority in real terms. There is an expectation, and I suggest that it is not unreasonable, that they will look for part of their share of the £174 million of savings that are being applied to local government to be passed on to Strathclyde police authority.

Robert Brown: The Scottish Parliament information centre briefing indicates that the police grant is going up by 1.6 per cent in real terms, and that the other grants are going up by 0.9 per cent in real terms across the board. Does that feed through to Strathclyde?

Allan Macleod: Indeed, but we are looking at a 2.5 per cent pay rise for police officers. Given that 70 per cent of the budget goes on police officer staff items, there is an upward pressure that we do not expect will be met by increases in funding.

Stewart Maxwell: Although you did not say so specifically, the way you were talking earlier sounded as if there had been a reduction in the budget that had gone to the police authority. That is not the case; the budget has increased and, as Robert Brown indicated, in 2010-11, it will go up by 1.6 per cent in real terms. So it is not a budget cut that is causing you a problem, but the fact that the budget does not meet your expectations or the planning that you have put in place. Is that what has happened?

12:30

Allan Macleod: Indeed. Two basic scenarios were presented to the authority. The worst-case scenario saw no increase in absolute terms in funding levels, and the best-case scenario saw a marginal increase in funding. The true situation will be somewhere in between those scenarios.

The authority was presented with a forecast that there was likely to be a significant increase in deficits because of the state of the public sector economy during the next three to four years. We recognised that it would be prudent for the authority to acknowledge that and prepare to take

steps to address it. We recognise that the problem is serious and that no knight in shining armour will appear over the hill with the appropriate bag of money to get us out of it. It is important that everyone who has a stake in managing the police, certainly in the case of Strathclyde Police, is aware of that. That is not to say that members of the authority are not aware of it.

Local authorities are making it clear to all their stakeholders that there is a serious problem. We all need to be aware of the potential scale of the problem as we try to tackle it, and that was the purpose of the SPA report of 6 August.

I am certainly not saying that the figures that are presented in the report are absolutely correct. It would be foolish of me to say that because there are so many unknowns, but the figures represent a reasonable estimate between the best-case scenario and the worst-case scenario for the likely funding deficits for Strathclyde. As Mr House said earlier, the information that has emerged since the projections were done in July suggests that the funding deficit, certainly for next year, is likely to be nearer the best-case scenario in the report.

Cathie Craigie: The committee understands that Strathclyde police authority's budget working group will consider the funding gap in more detail, as we would expect. Has the group begun its work? What options does it have?

Chief Constable House: It has already met. As you identified, the report recommended that meetings should take place as soon as possible because we need to get down to business.

On the things that are being considered, as Allan Macleod started to suggest, we are looking at our structures for supervision and management, so we are looking again at the number of senior officers and the ratio between police officers, sergeants and inspectors. We are looking at what we can do on property and procurement, particularly in relation to local authorities and property sharing. We have a significant property services department and we are looking to see whether we can team up with a local authority and share that resource.

We are also reviewing our headquarters for the second time in 18 months. Last time we reviewed it we made savings of £3 million, and we are trying to generate more savings. That involves looking at a range of jobs that are carried out at the centre to see whether we can do less of the work, whether we can not do it at all, or whether we can partner up with another agency rather than doing it by ourselves. In some cases, it might be cheaper to farm something out to the private sector and buy in a service than to retain our own staff to do it. We are looking at all kinds of mixed economies to

see how we can generate the funding that we need.

The group has met once and the next meeting is due fairly soon. About 18 of the 34 members of the authority were at the meeting, and the group is working positively. Authority members are informed about the situation and are trying to grapple with the issues.

Paul Martin: You raised the issue of the policing of parades, about which there has been a lot of publicity recently. Is there an opportunity for savings there? Also, can efficiency savings be made in relation to the policing of football grounds, given that you do not recover the full costs of that?

Chief Constable House: Those are two fairly non-contentious issues for the west of Scotland.

Part of the driver behind looking at the policing of both football and parades is to consider the money that we spend on those things. We are talking about millions of pounds-worth of police time every year. Despite what you might read in the press, we are in constructive dialogue with the football clubs to encourage a better understanding of their obligations for security and safety and consider whether we can reduce the level of policing that we provide where it is safe to do so.

You are probably aware from the publicity that the debate on parades is at a much earlier stage, but there is general amazement at the number of parades in the west of Scotland and the level of policing that is applied to them. If we find a way to reduce the number of parades to a more proportionate level, that will allow us to reduce policing significantly. We do not currently charge anything to any of the parades for which we provide police officers. That is fully in line with Sir John Orr's report, as we are there to provide safety and security for an aspect of the democratic process and to allow people to express their views.

In respect of football, we are trying to establish a clearer relationship with the clubs to ensure that where we can charge for officers we are doing so, but we do not really want to be recovering our costs that way; we would rather that the police officers were not there and were doing something else—such as community policing or carrying out another mainstream policing role—rather than being at the football, but when they are there and we can charge for them we will try to do so and we will try to ensure that the numbers are right.

The Convener: As there are no further questions, I thank you all for your attendance and for your evidence. We look forward with some trepidation to next year's meeting under the same heading. There will be a brief suspension.

12:36

Meeting suspended.

12:37

On resuming—

The Convener: We continue evidence taking for our scrutiny of the draft budget. I welcome Ken Ross, Scottish secretary of the Fire Brigades Union; John Speed, member of the national committee of the Prison Officers Association; Calum Steele, general secretary of the Scottish Police Federation; and Dave Watson, senior policy officer with Unison. In the hope of saving us some time, I invite the witnesses to make very brief opening statements. We will thereafter proceed to questions.

Dave Watson (Unison): I will start with police budgets, which were the focus of the previous evidence session. As always when looking at the Scottish Government's budget, there is—as has been made clear—confusion around the mix of central Government funding and local authority funding. We have concerns. The concept of a real-terms increase is based on a gross domestic product deflator of 1.5 per cent, but costs on police forces and other parts of the criminal justice budget are unlikely to be constrained within that figure. A particular concern with regard to the central Government budget is the potential cut in the SPSA's budget. The mix, and what the impact might be for the SPSA, is again not clear to us.

As far as major budget processes go, there are great pressures. In my 20-odd years of dealing with Scottish police authorities, I cannot recall a period when police authorities were talking to us in the way that they are now—you heard in the previous evidence session that Strathclyde is one authority that is taking that approach. In Strathclyde, there is already a voluntary redundancy trawl, and appointments to all new posts and promoted posts are being made on only 18-month contracts. That is a pretty radical step and it has an impact on operational efficiency. There are clearly fairly major concerns about that.

I probably disagree with Chief Constable House on the focus on police numbers, which we think is the wrong focus. Given that we represent police staff, members will not be surprised to hear that we take a slightly different view from uniformed chief constables on that point. We think that, frankly, there is scope for greater initiative in what is known as civilianisation. The research report that we commissioned—it was published this year and is the most detailed work that has been done on the issue in Scotland—demonstrates that scope. Without going into the details of that report—although I am happy to answer questions on it—I will just mention the headline figures:

police staff represent 39 per cent of the police force in England but only 28 per cent in Scotland. Even if we do not count community support officers, which we do not have in Scotland, there is still a difference in the figures, which are respectively 32 per cent and 28 per cent. In our view, there is clearly scope for change there.

As well as police funding, another issue in the draft budget that raises some concerns is the funding for criminal justice social work. Again, such services receive a mixture of central Government and local authority funding. The draft budget appears to propose a real-terms cut for those services at a time when they are under considerable pressure due to the Scottish Government's policy—which we agree with—of focusing on community sentencing. Our members are concerned about a possible reduction in funding for such services.

The Convener: It would be useful if you could give us a copy of the paper to which you referred.

Calum Steele (Scottish Police Federation): In the recent past, the Scottish Police Federation has commented on the financial situation at national level only in relatively small detail. Our national committee's line on the issue has not yet been determined, but we will assist the committee in any way that we can.

As my opening statement, I fundamentally question the assertion that there must be a cut in police funding. The fundamental duty of any Government must be the safety and security of the public. My fairly simple position is that cuts in funding are simply wrong.

The Convener: That is certainly a very pure stance.

John Speed (Prison Officers Association): As a representative of the Scottish national committee of the Prison Officers Association, I am here to represent our members in Scotland only.

The POA in Scotland fully supports the Cabinet Secretary for Justice's stance on investing heavily in a public sector Prison Service. However, we acknowledge that such investment comes on the back of decades of lack of funding. In addition, the current investment has been made because the Scottish Prison Service has been successfully sued by prisoners for slopping out and for other things that I am sure members will have read about in the papers. I think that we all feel that that is unacceptable—

The Convener: That is why some of us felt constrained to comment on the issue.

John Speed: We all appreciate that we need major investment if we are to have a 21st century Prison Service. We fully acknowledge that the service should be in the public sector.

The reality is that we need prison staff to run prisons. I notice that Mr Frizzell, who is a former chief executive of the Scottish Prison Service, is sitting at the committee table. I am sure that he will be glad to tell members what it is like to lose control of a prison. Having been a prison officer for 23 years, I know what that is like. Particularly in light of the current overcrowding, we need the staff to manage prisoners. Overcrowding is nothing new—we have had overcrowding during probably all of my time in the job—but the overcrowding that we are going through at the moment is probably the most extreme that I have experienced. It is testament to the POA's members in Scotland that we have had no major incidents in our prisons. However, we should not ignore the fact that such incidents can happen. I do not want to see any of my members with chains round their necks being dragged across a prison roof. We need to accept that overcrowding and reductions in staff have a huge impact on staffing levels.

We need to ask what we want from our Prison Service. Do we want warehouses? I believe that prisoner numbers are estimated to increase to up to 10,000. Do we want those prisoners to be warehoused in a way that means that we can do nothing with them, so that they come out of prison just as bad as—if not worse than—when they went in, or do we want our front-line prison officers to deliver programmes to try to reduce reoffending? If we want such programmes, they will involve a cost. The issue is as simple as that. We will do that job if people want us to do it—we are good at it—but there is a cost. I ask members to go and visit jails where programmes are delivered. Believe me—where such programmes have proved successful, they have a huge impact on reoffending.

12:45

The reality is that we have made a commitment to the justice secretary to try to make as many efficiency savings as we can, but it was interesting to hear what the police said earlier: those efficiency savings will impact on front-line staff. I can hand you a document that we gave the justice committees in 2006, which shows the reduction in front-line prison staff. I got figures yesterday, so I can update you with the figures to 2009. I will do my best to get that information to you before 22 October. The document highlights the huge reduction in front-line staff, which has a massive impact on the health and safety of my members. As I said, there are huge dangers if we do not have the staff. Prisons do not run themselves and prisoners do not look after themselves. If you do not have the staff to deal with them, there are huge dangers.

The Convener: Thank you. That was useful. It would be particularly helpful if you could let us have the document that you mentioned.

I invite Mr Ross to give the Fire Brigades Union's perspective.

Ken Ross (Fire Brigades Union): It was interesting to listen to the previous panel, because our colleagues in the police raised a lot of our concerns about future budgets. I will describe those concerns one at a time—they are detailed in our submission.

We disagreed with the removal of ring fencing. We felt that that Government protection, as we saw it, was absolutely essential in ensuring that the fire and rescue services were equipped to deliver services, look after communities and address the risks in those communities. Now that ring fencing has been removed, we are having to horse trade with other services to get the necessary funding, which is compromising the security of front-line services.

I subscribe to Mr House's view, rather than Mr Watson's—we have had this discussion previously. In the past four years, we have seen a reduction in the number of front-line firefighters—positions on fire engines—and an explosion in the number of staff employed in the fire and rescue service, particularly in human resources departments. We see that as a complete imbalance.

The committee has to ask whether the budget affects front-line services. In the fire service, front-line services are already affected, because we have been subject to restrictions since the end of the fire service national pay dispute back in 2003. Transitional funding was given to fire and rescue authorities and for years after that they had to find efficiency savings in order to pay that funding back. Once that was done, further efficiency savings had to be made—such savings have been made on the front line of the service. We feel that the removal of ring fencing exacerbated an already difficult situation.

For many years in the fire service there was a clear set of criteria at the national level that determined what the budget for a fire and rescue authority should be. Since 2005, that is no longer the case. Even as recently as five or six weeks ago, we had that discussion with the Convention of Scottish Local Authorities, which, amazingly enough, was unable to tell us what formula or criteria it was using to determine the allocation that the fire service was going to get. It seems that there is no longer a clear and transparent set of criteria for setting fire and rescue service budgets.

The two elements that I have set out give us massive difficulties for the future.

The Convener: Thank you. We will now ask a series of questions that are directed at specific witnesses. If any of the other witnesses have a pressing need—I stress that it should be pressing—to contribute, please indicate that to me. Nigel Don will start with questions to the Scottish Police Federation.

Nigel Don (North East Scotland) (SNP): Mr Steele, it is helpful that you were here to hear the previous panel. Will you reflect on what you have just heard and tell us whether you agree with the comments about the budget situation for the current year, which seemed be, “It’s so-so—we’ll get by,” with a suggestion that in future years it will be a serious struggle?

Calum Steele: I pretty much agree with the lion’s share of the chief constables’ comments. The future budgets will, ultimately, be a matter for politicians. I return to my opening comment that, if politicians genuinely view it to be their duty to ensure that the public are kept safe and secure, it is for them to put in place the funding to ensure that policing can provide the safety and security that the public demand.

Nigel Don: I understand your point and agree with it absolutely. Do you accept that some of the politicians who need to be convinced are local ones and that we are entering a time when the funding of the police will become far more democratic, in the sense that it will depend on local politicians deciding that they want to spend local money on it?

Calum Steele: There will always be challenges for local politicians. Indeed, the capacity of police boards and authorities to hold their respective forces and constabularies to account has been considered at length in the recent past—I think that I am correct to say that the committee considered that in a report that it produced last year or the year before. That question of balance will always exist. The historical difficulty is that genuine understanding and accountability have been lacking and it is a big ask to expect police authorities to move from what could be regarded as superficial scrutiny and understanding to holistic scrutiny and understanding in a short time and at short notice.

Nigel Don: So you do not dispute the principle of my question but you worry about the processes and the understanding that local authorities have of the importance of policing.

Calum Steele: No.

Nigel Don: Sorry—you do not accept my statement in principle.

Calum Steele: No. I—

Nigel Don: Do you think that there should be ring-fenced funding for police?

Calum Steele: Absolutely. It is essential. There is a long and varied history in relation to accountability and the management of money for the police services. In 1994, money was allocated to police forces on the basis of £1 for the traffic department, £1 for the drugs squad and £1 for the criminal investigation department; post-1994, that became, “Here’s £3. Manage the police service as you see fit.” That significant flexibility gave chief constables phenomenal autonomy to do what they wanted but, at the same time, it resulted in an element of distance between the capability to hold to account and the capability to scrutinise.

Nigel Don: There is obviously a fundamental difference in there, which I recognise. Thank you for mentioning it.

I have a question for Mr Speed, for whose opening remarks I am grateful. The draft budget provides for a small increase for the Scottish Prison Service in cash terms, but that increase is lower than previously planned. What effect will that have on the safe and secure operation of Scotland’s prisons in the coming budget year?

John Speed: The figures that I have show that there will be a £4.1 million reduction in the direct running costs of the Scottish Prison Service. The reality is that the SPS will try to take the vast majority of that from front-line staff. At some stage, somebody must say that enough is enough, because we need the staff to deal with the prisoners. We are either at that stage or close to it. However, because we have a partnership agreement with the Scottish Prison Service, we are committed to working with our management to try to find efficiency savings. We are doing that at the moment with the staff attendance arrangements review, but we will not make efficiencies for the hell of it because we must look after the health and safety of our members. If we do not think that the efficiencies can be made safely, we will have to say that they will not be made or must be looked for elsewhere.

The Convener: It is important to stress that the £4.1 million cut is a cut not in the actual budget but in the plans that had been laid. The budget is actually up slightly in real terms.

Nigel Don: I will press Mr Speed on the effect of a reduction in prisoner numbers. Am I right in thinking that, should such a thing ever happen—or should numbers at least stabilise—it would not make much difference to the cost of the Prison Service because the prison officers will still need to be there and the prisons will just be marginally less overcrowded? Is that too simple?

John Speed: You are right. The other side of the coin is that it does not cost much more to work with the overcrowding that we have, so I suspect

that you are right that there would be no savings to be made if prisoner numbers reduced.

Nigel Don: Would any reduction in the number of prisoners have to be very substantial—I do not want to put a number on it, but substantial to the point at which we would be able to close a prison—before it made a significant difference to the Prison Service's running costs?

John Speed: Yes. I have the figures for the prison population here. I would be amazed if you did not have that information, but the numbers are going up and are expected to continue to increase, alongside the reductions in staffing levels.

Robert Brown: There has been some relief from overcrowding as new accommodation has come through, and in due course we will have the new prison at Low Moss as well. Does that provide any opportunities to make efficiency savings and release some of the pressures on prison officers? Perhaps there are some opportunities for savings in the prisons budget.

John Speed: Low Moss will be a brand new prison, and we will need to find the staff from somewhere. It might cost the Scottish Prison Service money to staff the new jail because we have lost the staff from the old Low Moss to other establishments and through natural wastage. I suspect that we will need to recruit more staff for the new prison.

Cathie Craigie: Will you share the figures with us? We have information on the number of prisoners, the capacity of our prisons and what is being used, but I do not think that we have figures on the number of prison staff.

John Speed: I have a report that shows the reductions in prison staff and breaks the figures down to each prison and the banding of members of staff. That information covers 2000 to 2006, and I received the updated figures yesterday. I will provide you with that information before 22 October, and I will do my best to break it down according to individual prisons. I can give you the information now if you want, but—

The Convener: If you could submit it in writing, that would be helpful, Mr Speed.

Cathie Craigie: The convener might be fearful that another question would flow from that information, so it would be best if we could have it in writing.

The Convener: Yes.

Paul Martin: What is Unison's view of the Scottish Government's proposal to hold the grant for the criminal justice social work service at the current year's level not only for 2010-11 but for the following years as well?

Dave Watson: As I indicated in my opening remarks, that is an area of concern for us. As always, we have to be careful because the budget that we are discussing is only the central budget that the Scottish Government allocates to the service and which pays for a number of central services as well as a contribution to services that are delivered locally. We must also consider the local authority funding in the mix.

Some confusion has arisen because it looks as if there is a cut but there is also a reference to additional moneys. Additional moneys were provided by the Scottish Government in June. That additional funding was welcome, although it has not fed through to the front line yet so I am not in a position to give any feedback on it.

The Scottish Government believes, in our view correctly, that we ought to reduce the prison population and focus on community sentencing. Obviously, the committee will be considering the proposals on community sentencing in the Criminal Justice and Licensing (Scotland) Bill. We welcome the Government's approach and believe that it is the right way forward. The differences in reoffending rates are stark between those who serve short prison sentences of up to six months and those who have equivalent community sentences, so we believe that there is a good, strong, evidence-based case for criminal justice social work. However, it requires resources, and our concern is that, given that it has been a challenge in recent years to meet the current national standards, any reduction in funding would make it difficult for our members to meet the national standards that are set out in the current programme.

Paul Martin: Can you give a specific example, from your local experience, of the problem with the current position?

Dave Watson: In essence, if we do not have the staff to do it, we cannot meet the 21-day standard. However, the biggest difference in the delivery of community sentences is probably qualitative rather than quantitative. The difference is that, if someone who delivers community sentences is pushed for time, they are essentially a community jailer—they do the basics, making sure that people are there and supervising them—while if there are proper staffing levels, they can do proper rehabilitation and work with offenders to identify their underlying problems.

If there is proper staffing, those people can also bring in their colleagues from other areas of local authority social work to support the offender. Budgets tend to deal with people in neat groups: they come under the budget for criminal justice or social work, and so on. In reality, however, those areas involve similar issues that often relate to similar families and communities, and a range of

staff and services across the areas are involved in dealing with them. There is more of a qualitative issue in maintaining and improving on the better reoffending rates in community settings.

13:00

Cathie Craigie: In response to my colleague Paul Martin, you told us about the pressure that front-line workers will face in delivering criminal justice services in 2010-11, particularly given the changes that are coming—not to mention what will happen in future years. You know that we as a committee are charged with examining the overall justice budget and suggesting improvements to it. Do you see any scope for efficiency savings that could alleviate any of the pressure on the people at the coalface?

Dave Watson: The Scottish local authorities have delivered on and exceeded the targets for efficiency savings in a variety of different ways, as I am sure you have heard from COSLA and others. The pressures on local authority budgets are, in general, not dissimilar to those that the chief constables on the previous witness panel described to the committee. There is a law of diminishing returns in operation: you can only make the big procurement changes once, although they produce some on-going savings.

The difficulty with criminal justice social work is that, in essence, it involves very little other than people. I cannot give you the exact figure, but people must make up at least 90 per cent—if not more—of the costs in those types of services. It is people who deliver the services, so if you make cuts, you use fewer people, which means that you do not deliver things, do not meet the standards or do not meet the quality as well as the quantitative standards.

Robert Brown: I am not sure of the extent to which Unison represents people in the voluntary sector who work on criminal justice projects, but I believe that you do to some extent. What are the financial pressures on those services? I believe that they are funded centrally through section 10 funding and by local authority grants, and I get the impression that some of them are under as much pressure as the local authorities, if not more.

Dave Watson: Absolutely. We represent members in that area, and it appears that a number of the more innovative services that the voluntary sector delivers are suffering from the same pressures. There has been a cut in funding, or funding has not been provided to meet additional costs, so a number of charities have had to call on their reserves or on voluntary funding to make up the shortfall in the funding that comes from the local authority and central

Government. That concerns us as much as it would in relation to the statutory services.

Robert Brown: Can you give us any detail on that, perhaps in a follow-up paper? Do you have any comprehensive information? I appreciate that detail is difficult to pin down because of the geographical spread of such things.

Dave Watson: I cannot give you any hard numbers—my information comes from anecdotal feedback that we get from our representatives when they meet through our voluntary sector groups. There are individual examples, but I cannot give you a comprehensive view across the board. Part of the difficulty is that many of the freedom of information provisions do not apply to some of those services, which is something that we have been encouraging the Scottish Government to change.

Angela Constance: Is non-statutory social work more likely to suffer than the more functional aspects that involve national objectives and standards? To pick up on Robert Brown's point, are local authorities likely to take a more protectionist view of their statutory services at the expense of the voluntary sector? Will they want to scrutinise or evaluate further the work that goes on in the voluntary sector?

Dave Watson: Inevitably, a senior manager will focus more on delivering the statutory service, and the scrutiny that bodies such as Audit Scotland carry out tends to focus on those functions. However, our experience so far, and the feedback that I received at a meeting only a few weeks ago with a number of our members who work in the field, shows that there is not a particular bias with regard to cuts in the voluntary sector. Staff in local authorities reported similar issues, and one or two authorities thought that they might be able to provide the same services more cheaply by going to the voluntary sector. In fairness, therefore, it is far from what you suggest: the evidence to date—which admittedly is anecdotal—suggests that local authorities are looking to make savings on both the voluntary and statutory sides.

The Convener: We now turn to Mr Ross. Paul Martin will ask the first question.

Paul Martin: I am sure that the fire services are aware of the Government's proposed spending on the Scottish Fire Services College, firelink and the capital grant to local authorities. What impact do you think that that could have on front-line services?

Ken Ross: My understanding is that that funding is completely separate and has come directly from the Scottish Government. That decision was made after the decision on the future of fire service control rooms and firelink. That programme is rolling out, and I believe that it is a

three-stage programme, the second phase of which is under way. So far, it seems to be going to plan. The funding, which is a completely separate capital allocation, is vital because it will give us a digital radio system that allows us to keep in contact with the police and other blue-light services and improve our overall communication among ourselves and with different services.

We have always advocated the provision of support for the national training school, and we think that it is hugely important that there is a centre of excellence in Scotland for all fire services. I believe that that money comes from capital top-slice. I know that additional moneys of about £1.4 million to £1.6 million were allocated to the school earlier this year, which we welcomed.

My understanding is that capital funding for the service is ring fenced but that that will no longer be the case after 2010-11. We are extremely concerned about the prospect of capital and revenue funding not being ring fenced.

Paul Martin: Is there a concern that the removal of ring fencing could lead to horse trading? I think that it was you who used that term.

Ken Ross: It was.

Paul Martin: You mentioned that that process would intensify if the capital budget were part of that arrangement.

Ken Ross: The committee should understand that, as well as covering the cost of fire stations, the capital budget covers the cost of fire appliances and other elements. It is massively important that fire authorities receive a proper level of capital funding, because fire engines get old: they are used quite a lot and have to be replaced relatively frequently. They cost a fair amount of money—I believe that one unit costs about £350,000 to £400,000—and, given that appliances are replaced on a rotational basis, the capital expenditure must be secured to cover those costs, as well as the other costs of keeping buildings maintained and fire stations up to date.

Expenditure on communication systems forms part of capital expenditure as well. Firelink is coming in, but it will have to be maintained once it is installed. Such elements are crucial to the infrastructure of service delivery. It is essential that the capital expenditure is ring fenced so that it can continue to be secured from the centre.

Stewart Maxwell: Thank you for your submission to the committee. On page 3, in the section on shared services, you list a range of services that could be shared to produce greater efficiency savings. I fully understand that desire, but as someone who has a background in Strathclyde fire brigade, as it was called when I worked for the organisation, I fail to understand

whether any progress has been made on shared services, work on which got under way some years ago. Procurement stands out for me, as well as areas such as the purchase of equipment and uniforms. Has any progress been made over the past six, eight or 10 years, or have you raised concerns in your submission because there has been a failure to make progress?

Ken Ross: There has been a degree of progress, but progress has not been made across all eight services. The issue was left for individual fire authorities to make progress on, which the Chief Fire Officers Association looked to direct. The problem is that different fire authorities are making different arrangements. For example, four fire authorities have agreed to carry out joint recruitment, but the other four do not want to be involved. There are other fire authorities that join up to purchase equipment, but the rest do not want to get involved. That results in a mixture of four authorities doing one thing, three doing another and one doing something else. The picture is disjointed.

The previous panel hit on what we think are the main points about procurement and support staff, and we suggest in our submission that, if the key elements were dealt with across all eight services in a more co-ordinated fashion, clear and major savings could be made. The key is redirecting funding to secure the front line. Progress has been made in the past four or five years, but we are still at a stage where things are a bit disjointed. It is down to the individual fire authorities whether they want to get involved, but we believe that all eight must get involved in joint procurement to some extent. If all eight services purchased fire appliances, fire gear and all the rest of it, it would bring not only financial savings but consistency, particularly when we talk about national resilience, which has not yet come up.

Although fire authorities have responsibility for local service delivery, as do the police, they also have national responsibilities under the Fire (Additional Function) (Scotland) Order 2005 and national resilience and civil contingencies legislation. When we are at a major incident where there is a multi-agency, multi-fire service presence, we need to ensure that all the different services in Scotland can recognise and operate equipment. Not only would joint procurement bring financial savings, it would bring operational benefits as well.

Stewart Maxwell: I raised the question because, although the matter was discussed 10 years ago, progress seems somewhat slow. Perhaps we should pursue it.

I move on to the future. What does the FBU say are the main priorities for fire service funding in 2010-11 and beyond?

Ken Ross: When the Fire (Scotland) Act 2005 came in, it gave us additional legal responsibilities. Amazingly enough, prior to that fire services were responsible only for fire, even though we carried out other functions. The fire budget funded those other functions, and in 2005 we welcomed the fact that all the functions were recognised in statute—the three principle ones being fire, road traffic collisions and community fire safety.

In addition to the principal act, we also have an additional function order, which carries an additional four functions, including dealing with chemical, biological, radiological and nuclear incidents, major traffic incidents and flooding. However, no consequential additional funding was given to fire authorities to meet those additional responsibilities. Although we got central funding from Government to fund, for example, major incident units and additional equipment, there was no additional funding for more personnel to operate and crew vehicles. Those personnel have to come from fire engines and, in many cases, they have to dual crew. We have to compromise to achieve our full capability and mix and match to try to make it all fit together because the essential personnel element is missing.

As I said, there has been a reduction in the number of front-line firefighters in the past four years. That is hugely concerning, particularly when we consider that the number of fire deaths and injuries to firefighters has gone up. That tells us that, although the overall trend in the number of fires is going down, the fires that continue to occur are becoming more dangerous because fewer firefighters are attending and it takes them longer to get to the scene.

To return to your initial question, our priority is to ensure that at the very least the number of firefighters on the front line is maintained if not increased. That can be done by redirecting funding to the front line from other areas where we see duplication and waste.

Stewart Maxwell: That is why I asked about shared services—it seems that that area is still of some concern.

Ken Ross: Absolutely.

The Convener: Angela Constance has a couple of wind-up questions.

Angela Constance: Having listened to Mr Ross this afternoon, I wonder whether the FBU has any concerns about how fire and rescue authorities spend their money. I offer a couple of Lothian and Borders examples. There are proposals to build a training centre in Newbridge, which is practically next door to the national training centre at Gullane. We also had a chief fire officer who retired, collected his pension and lump sum and was then reappointed as chief fire officer.

I respect that Mr Ross may not want to comment on such local examples, but does he have concerns about whether fire and rescue authorities are getting value for the public pound and the impact that that may have on front-line services?

13:15

Ken Ross: I will take the general point rather than the specific one. I thought that you might prefer that, convener.

Generally, we are concerned about the functionality of joint boards, because they seem to be autonomous in how they receive and spend their budgets. From what we can gather, they are not answerable even to the local authorities in which they are represented. As I detailed in my paper, the funding stream—from the Scottish Government to COSLA, then to local authorities and then to fire authorities—is a convoluted way of getting funding from central Government to the fire authorities. The funding can be compromised before it reaches its destination.

The fire authorities are made up of local councillors. That arrangement is supposed to give us local accountability, but we do not see that happening in practice—there is a huge influence from chief fire officers. I am sure that there is a similar situation with other types of board, but the board dominates how the funding is spent, and there is little accountability elsewhere.

There used to be a system whereby ministerial approval was required before any establishments were altered. There were two reasons for that: the system was directly linked to the budget and to the fire cover arrangements that were statutory at the time. That was a consequence of inspections by Her Majesty's fire service inspectorate for Scotland to ensure that a fire authority was complying with statutory obligations and would therefore receive ministerial approval for the subsequent year's funding.

That no longer happens. We now have open budget criteria—if, indeed, there are any criteria at all. Whether or not a fire authority's budget is enough, it is up to the fire authority how it should be spent. However, we would like to see much more scrutiny of, and robust accountability for, how fire authorities spend their money. There is waste and not much joined-up thinking across fire boards, which causes us endless frustration. Going back to Stewart Maxwell's point, I believe that shared services are a clear area for savings. If we had proper shared services, we could see significant savings that would take away attention from the front line.

Angela Constance: Do you have a view on how joint boards could be more accountable? What should change?

Ken Ross: I do not think that we have enough time today for me to go into that debate, but what I would say is that—

The Convener: I think that we are entering the realms of opinion rather than evidence.

Ken Ross: Briefly, there must be much more co-ordination across the eight boards. If they are not prepared to do that themselves, a third party might have to step in to ensure that they are co-ordinated.

Cathie Craigie: Thank you for your briefing paper. The fire and rescue authorities should perhaps have a look at it: it might give them pointers about how they could find some of the efficiency savings that are needed.

I was struck by something that you said earlier. It is a good use of resources in the police and fire rescue services to use the experts to do the job, such as using firefighters to fight fires or assist people involved in road accidents. The people who work in the background in human resources or procurement departments do not need to be fully trained firefighters. If they are, that is a waste of a resource. However, you seemed to indicate that there was no room for expansion in civilian support staff. Can you say a wee bit more about that?

Ken Ross: Absolutely. Just to be clear, I echo the previous panel's view of the role of support staff, who are crucial in the fire service. Without them we obviously could not deliver the service to communities, but we must strike a balance. Uniformed personnel did support staff jobs in the past, but we were keen to see those jobs as non-uniformed positions and uniformed personnel redirected to the front line. However, while uniformed posts have been taken out of support departments and there has been a huge increase in the number of non-uniformed posts, that has not been reflected in an increased number of uniformed posts on the front line.

Mr House indicated earlier that uniformed posts in the police were redeployed to the front line, but a similar move has not happened in the fire and rescue services. We have fewer firefighters on the run than we had four years ago, but we have many more support staff. That is not because firefighters are doing support staff jobs; those uniformed posts have just been lost. It is therefore not about looking to get rid of support staff jobs—we understand what support staff contribute to the overall support of the service—but about striking a balance between how many support staff we need and how much money we have left to put into uniformed positions.

The Convener: Gentlemen, I thank you very much for your attendance this morning. It has been exceptionally helpful. Mr Speed, if you could

give us the documentation that is outstanding, that will complete the evidence from this panel.

I remind members that the next committee meeting is on 27 October at 10.15. There will be further evidence on the draft budget, consideration of subordinate legislation and continued consideration of the draft stage 1 report on the Criminal Justice and Licensing (Scotland) Bill. I thank everyone for their attendance.

Meeting closed at 13:21.

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