



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

PUBLIC AUDIT COMMITTEE

Wednesday 10 November 2010

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PUBLIC AUDIT COMMITTEE

19th Meeting 2010, Session 3

CONVENER

*Hugh Henry (Paisley South) (Lab)

DEPUTY CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

COMMITTEE MEMBERS

*Willie Coffey (Kilmarnock and Loudoun) (SNP)

*George Foulkes (Lothians) (Lab)

*Jamie Hepburn (Central Scotland) (SNP)

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

*Anne McLaughlin (Glasgow) (SNP)

*Nicol Stephen (Aberdeen South) (LD)

COMMITTEE SUBSTITUTES

Derek Brownlee (South of Scotland) (Con)

Linda Fabiani (Central Scotland) (SNP)

James Kelly (Glasgow Rutherglen) (Lab)

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Miranda Alcock (Audit Scotland)

Mr Robert Black (Auditor General for Scotland)

Angela Cullen (Audit Scotland)

Graeme Greenhill (Audit Scotland)

Barbara Hurst (Audit Scotland)

Andra Laird (Audit Scotland)

Sally Thompson (Audit Scotland)

THE FOLLOWING GAVE EVIDENCE:

Tam Baillie (Scotland's Commissioner for Children and Young People)

Bill Eadie (Stirling Council)

Peter MacLeod (Renfrewshire Council)

Michelle McCargo (Renfrewshire Council)

CLERK TO THE COMMITTEE

Jane Williams

LOCATION

Committee Room 1

Scottish Parliament

Public Audit Committee

Wednesday 10 November 2010

[The Deputy Convener *opened the meeting at 09:31*]

Interests

The Deputy Convener (Murdo Fraser): Good morning. I welcome members, the public and Audit Scotland staff to the 19th meeting of the Public Audit Committee in 2010. We have apologies from the convener, Hugh Henry, who is with the Economy, Energy and Tourism Committee in connection with his member's bill but who hopes to join us later, and George Foulkes, whose flight has been delayed but who hopes to join us shortly.

I welcome to the committee Jamie Hepburn MSP, who is joining us for the first time. I ask Mr Hepburn whether he wants to declare any relevant interests.

Jamie Hepburn (Central Scotland) (SNP): I have no specific interests to declare, convener. I direct people's attention to my publicly available declaration of interests.

The Deputy Convener: Thank you for that. I remind people to turn off their mobile phones and other electronic devices.

Decision on Taking Business in Private

09:32

The Deputy Convener: Do members agree to take items 6 and 7 in private?

Members *indicated agreement.*

Section 23 Reports

"The Scottish Police Services Authority"

09:32

The Deputy Convener: Item 3 is a briefing from Audit Scotland on its section 23 report on the Scottish Police Services Authority. I invite the Auditor General to introduce the report.

Mr Robert Black (Auditor General for Scotland): Good morning, convener. The report, which came out towards the end of October, looks at the development of the Scottish Police Services Authority, its achievements to date and some of the future challenges that it faces.

The SPSA was established on 1 April 2007 to provide support services to the police and the Crown Office and Procurator Fiscal Service. The SPSA provides the police with forensics training, criminal justice information systems and information and communication technology services—if you do not mind, I will shorten that to ICT. The Procurator Fiscal Service uses the SPSA's forensic services and, because many of its systems are linked to police systems, it is also affected by the SPSA's criminal justice and ICT work.

The organisation faced a number of quite serious difficulties in the early days and I suggest that lessons can be learned from the experience when shared services are planned in the future. The report includes at appendix 2 a checklist of questions that organisations should ask themselves when they develop shared services.

The SPSA was established with two main purposes. The first was to improve the efficiency and effectiveness of support services for Scottish policing, and the second was to provide more formal governance arrangements for some police services that were already centralised, such as training. In the years before the SPSA was established, there was widespread support for the principle that a single organisation should provide police support services. However, the audit found that it was not clear from the outset how the SPSA was to operate and deliver long-term benefits. That led to different understandings between the SPSA and its customers about what it would do. That difficult start was compounded by the lack of information that was available to the SPSA on the services that it was to deliver. There were also complex service demands and lines of accountability, which are described in exhibit 10 on page 28 of the report. The SPSA had leadership problems, and sometimes difficult relationships with its customers.

The sponsor department of the SPSA provided support, but it did not fully recognise all the difficulties that faced the SPSA during its first 18 months. The Scottish Government reviewed its sponsorship arrangements for the SPSA in 2008, and the report that came out of that concluded that the Scottish Government could improve its overall governance by strengthening and formalising meetings and by monitoring progress against the SPSA's strategic priorities.

I will comment on the SPSA's performance. Despite early challenges and difficulties, the SPSA has improved the service that it provides in relation to criminal justice training and forensic services. For example, it has delivered new training courses at the Scottish Police College, it has reduced the time taken to analyse forensic samples, and it has developed new processes that can make savings for the SPSA and other criminal justice bodies. Exhibit 3 in the key messages report gives a summary of some of the improvements that have been delivered.

However, the audit found that supporting and developing ICT systems has been much more difficult, and the SPSA is not yet able to meet its customers' needs. The difficulties arise for a number of reasons. First, the ICT functions transferred to the SPSA a year later than the other services, so there has not been quite so much time to make changes. Secondly, providing ICT services was made more complex because different forces had different ICT resources and systems, and very different future ICT needs. To give the committee an idea of the scale and complexity of the ICT challenge, the report shows that there are 1,400 applications and 750 different contracts across the eight forces. Finally, demand for ICT support from the forces is increasing. For example, the SPSA now maintains around 2,700 more printers, scanners and monitors for the police than it did in 2008.

The SPSA has delivered some improvements in ICT. For example, it helped Strathclyde Police to save £1 million on ICT contracts, and it has established a national ICT helpdesk service, which deals with 3,000 requests a week. However, the SPSA has had problems with prioritising between the increasing number of national and force-specific services that need its input. The SPSA's difficulty in meeting its customers' ICT needs is beginning to affect forces' and the Crown Office's programmes for increasing efficiency.

The audit highlights the need for an effective mechanism to limit levels of demand and to agree criteria that will enable the SPSA to prioritise all the requests for help that it receives. The Scottish Government and the Scottish policing board have a role to play in ensuring that the SPSA is given a

clear set of priorities to which to work within the resources that it has available to it.

Since 2007, the SPSA has reported efficiency savings of more than £5 million, which is in line with the targets that were set for it. It could deliver greater savings for police forces and other criminal justice partners, but it cannot do that on its own. My report recommends that the Scottish Government and criminal justice bodies need to work together to develop systems to measure performance and efficiency savings across the whole sector.

There are significant challenges ahead, and in my report I recommend that the SPSA acts quickly to improve communications with its customers; to align its budget with organisational priorities and develop programmes that can be delivered within whatever budget it is given; to ensure that it develops a workforce that has the skills to deliver those priorities; and to get better financial and performance information across all its service areas, so that it can develop and deliver a long-term and sustainable efficiencies programme.

As ever, convener, my colleagues are masters of the detail. We will answer whatever questions the committee has for us.

The Deputy Convener: Thank you very much for that comprehensive summary. This is a timely report, particularly given the political discussion that is taking place about the potential merger of all the police forces in Scotland, which seems now to be promoted by various parties that might form the next Government. Lessons can be learnt from the setting up of the SPSA, which will be important if we are going to pursue the objective of unifying Scotland's police forces.

One of the things that struck me about the report—I refer to paragraph 20—was the challenge of setting up new working practices while there was local concern that autonomy would be undermined. That will be one of the challenges that we will face if we go down the road of unifying the different police forces.

The management structure is summarised in exhibit 5 on page 13 of the main report, which shows all the changes in personnel since 2007. When I looked at that, I thought that it was an extremely confused picture, and I wondered how effective the organisation could be when there were so many senior management changes in that period.

We seem to have a huge problem across the public sector in dealing with ICT and trying to find systems that are compatible. I noticed that, in paragraphs 32 to 34 of the report, concerns are raised about ICT and the fact that the new financial system was not compatible with the systems used by forces, which seems a strange

omission. What work is being done to try to bring all that into line? It seems to be an area that will cause more problems if it is not resolved.

Mr Black: I can respond to the narrow but significant point about the lack of compatibility. The SPSA was obliged to adopt SEAS—the Scottish Executive accounting system. We have reported in the past on the problems that exist with that system, which is not really compatible with any of the systems that other public sector bodies use. That is at the core of it. I am sure that colleagues can give you more information about what is happening out there.

Miranda Alcock (Audit Scotland): The problems with ICT have been recognised for quite some time. As we say in the report, the Government, the SPSA and the Association of Chief Police Officers in Scotland commissioned a review that identified many of the same problems that we identified in the report. There is certainly a move to try to converge some of the systems, but some of the difficulties that we outline about getting agreement between the eight forces, the Scottish Government and ACPOS remain a barrier to progress in this area.

The Deputy Convener: That does not sound very optimistic.

Mr Black: It is difficult for us to comment in detail. The review was of the SPSA, but I was struck by the sheer complexity and diversity of ICT systems currently running in Scotland's eight police forces, bearing in mind that we are a relatively small country with a population of 5 million people. Some diversity is understandable, but the sheer complexity of the system is quite surprising.

The Deputy Convener: Thank you for that. I am sure that we can pursue the matter.

Jamie Hepburn: Thank you, Mr Black, for your comprehensive presentation. It is clear from the report that there is a bit of a mixed bag. It identifies some achievements and some challenges ahead. One of the identified achievements is that the target for savings was hit—I believe that £5.3 million has been saved in three years. You suggest that there is potential for more savings to be made, particularly in relation to ICT applications across the police forces if a standard set of applications was used. Are there other examples of savings that could be made?

09:45

Mr Black: The team might be able to help with that. To set the context, I point out that, on page 8 of the report, the section that describes how the initial budget was set states that the audit found that the

“initial budget was based on incomplete information.”

The SPSA believes that some of the funding was insufficient, particularly for forensic services. That added to the complexity of the challenge that the SPSA faced as a new organisation when it was first set up. That perhaps reinforces why it is so important that the SPSA's clients work together with the authority to determine the priorities and fit them within the available budget. However, despite the problems, the SPSA has still reported efficiency savings of about £5 million.

Angela Cullen (Audit Scotland): The report states that there is potential to deliver additional savings across the criminal justice sector if the SPSA works together with partner bodies. One example that we give is the SPSA's implementation of crime scene animation, which we estimate has the potential to save about £9,000 a day when a case goes to trial. There are real savings to be made and rolled out across the criminal justice sector, but systems are not in place to measure savings by the other bodies involved. There is potential to deliver more savings, but those savings need to be measured together, and the bodies need to work together to deliver them. Currently, savings targets are set for individual bodies rather than for the whole sector, so incentives do not necessarily exist for the SPSA to work with other bodies to deliver larger and more widespread savings, although the incentives existed to deliver the £5.3 million of savings that it has delivered.

Jamie Hepburn: You say that there is potential to save £9,000 a day through something. I have forgotten the term that you used, although you said it only two seconds ago.

Angela Cullen: It was the use of crime scene animation.

Jamie Hepburn: Crime scene animation—very impressive. You say that systems are not in place to measure global savings, so you cannot give a more specific, global figure for what £9,000 a day might add up to over a year.

Angela Cullen: No, we cannot. The systems are not in place for that. We have estimated that the technology might save around £9,000 a day. Obviously, we would need to consider individual cases to see how many days a trial might have taken and by how many days the trial was reduced as a result of using the new animation software. It might be one day per case, or it might be 20 days per case. We have not gone that far and looked at the evidence.

Willie Coffey (Kilmarnock and Loudoun) (SNP): I return to the ICT issues. I draw members' attention to exhibit 7 on page 19 of the main report, the third paragraph of which discusses Strathclyde Police's intention to replace its crime

management system. The replacement was identified as being required in 2004, but it seems to have been acknowledged five years later that the SPSA—or someone else—did not have the appropriate skills and experience to deliver the solution that was drawn up five years previously. I find it particularly astonishing that such a thing could happen. That is not about integration, crossing over and merging; as I understand the Auditor General's report, it is about having the fundamental skills to use an operational piece of software. Do you have any more information on what has caused that situation? Is there any confidence that the solution is being found and that the skills are being identified?

Miranda Alcock: The SPSA was formed in the middle of the negotiations on the Strathclyde crime management system. We did not look at that example in detail—we just looked at the issue since the SPSA was formed. The SPSA inherited an ambitious project to roll out something that would converge all the systems in the eight forces in Scotland. That was an overambitious project at the time, and when the SPSA took it on, it realised fairly quickly that it did not have sufficient skills and capability to deliver it, so it had to go back and consider what could be delivered with the resources and capability that were available. You would need to discuss the details of that with Strathclyde Police and ACPOS.

Willie Coffey: Does the issue relate to the skills of police in the field using equipment and software or to those of IT staff and their ability to integrate systems?

Miranda Alcock: It involves development skills. The crime management system is a centralised system and the issue has nothing to do with the skills of officers on the street; rather, it is to do with ICT development. ACPOS's business change programme was quite an ambitious attempt to build systems for the whole of Scotland. However, I think that it would admit that that was overambitious.

Willie Coffey: That sounds like something that we will probably follow up.

The SPSA is able to access criminal history databases in relation to forensics and, I assume, other related issues for external agencies—that is mentioned in the chart on page 17 of the main report. Can other bodies in Scotland access those systems? I remember discussion about the national health service, for example, being unaware of the criminal histories of some people who had come to Scotland to work. Does the system allow access to such information?

Is there an international dimension? Is there an international criminal history database that forces in Scotland, Europe and elsewhere can use to

track the movements of criminals throughout the world?

Miranda Alcock: They are two different things. Your question stretches my knowledge of police ICT somewhat but, as I understand it, the police national computer, which is a United Kingdom database, links to European databases. That is different from the Scottish criminal history system, which concerns only offenders in the Scottish criminal justice system. It is accessible to agencies such as social work departments. I am not sure whether it is accessible to the NHS. I know that there are some multiagency initiatives under which, in some areas, NHS officials have access to the criminal history system.

Willie Coffey: It is always of interest to this committee to ask broader questions of that nature. Sometimes, the work of the Auditor General for Scotland points us in a direction that we might wish to pursue. If we have a solution in Scotland that would allow us to monitor and track these activities, we would be as well considering opening that out and sharing the information in a broader context, if at all possible.

Anne McLaughlin (Glasgow) (SNP): It is good that the SPSA has achieved its efficiency savings. However, paragraph 36 of the key messages report says:

"Like many other public sector bodies, SPSA does not have baseline information on the quality of the services prior to 2007 and their costs. This means it is not possible to measure whether the savings reported have affected service quality or productivity."

My interpretation of that is that it is not possible to measure whether the changes are efficiency savings rather than just cuts to the service. You can correct me if I am wrong.

I am interested in why the SPSA does not have baseline information on the quality of the service prior to 2007 and also in how widespread that is. The paragraph says that the situation is common to many public sector bodies, but how many are we talking about and why is that the case?

Angela Cullen: I will kick off; Miranda Alcock and Andra Laird can correct me if I am wrong and help me out.

When the SPSA was set up in 2007, not a lot of information was transferred to it. We highlight that as being one of the issues that caused difficulties in the early days. The information that transferred from the police forces was not sufficient for the SPSA to identify what the demand for its services would be. Therefore, the basic information on cost, quality and activity was not there prior to 2007.

A lot of work has been done since then to establish much better information to enable the SPSA to run its business, and we used that

information in drawing our conclusions in part 2 of our report about the improvements.

Real efficiency savings have been achieved through various routes, including staff vacancies, improved procurement, changes to working practices, reduced costs, renegotiating contracts and better facilities management. We are not saying that the efficiency savings are not robust; although we have not undertaken a detailed review of them, the examples that have been put forward suggest that they are reasonable.

Anne McLaughlin: I understand your comment about the transfer of information and realise that we are considering this particular report, but is the reference to

“many other public sector bodies”

in paragraph 38 meant to suggest that the lack of information on which to base assertions of efficiency savings is widespread in the public sector?

Angela Cullen: One of the main findings in the report that we produced in February on improving efficiency across the public sector was that there was insufficient information in the public sector to record the efficiency savings that were being made and therefore it was very difficult for us to validate them.

Anne McLaughlin: You have already referred to this, but paragraph 40 of the key messages report says:

“The Scottish Government has traditionally set efficiency targets for individual organisations rather than for the criminal justice sector as a whole.”

Is that widespread? Are individual bodies making their own efficiency savings instead of being motivated to work with similar bodies to create savings across the sector?

Angela Cullen: In our experience, the tendency is to set individual efficiency targets. At the moment, the target in the efficient government programme is 2 per cent. However, local government pulls together, sets efficiency savings for the sector and determines with the Convention of Scottish Local Authorities how they will be achieved.

The Government's efficient government programme has three workstreams—better procurement, shared services and asset management—that promote working across the public sector. I am trying to remember the figures, but I believe that the last efficiency outturn report, which was published last month, shows that, although the reported savings from those three workstreams are improving, a lot more can be done in that respect.

Nicol Stephen (Aberdeen South) (LD): I have two quite general questions about the ICT section of the report. First, is ICT, not only in the Scottish Police Services Authority but in the other public service organisations that Audit Scotland deals with, particularly special or different, or does it simply require a rigour, a discipline, a professionalism and a clarity that are also absent from other parts of public service organisations? In other words, is it the case that other parts of organisations have the same weaknesses but the very nature of ICT, which needs to be got right if things are not to start creaking, means that such weaknesses cannot be hidden?

Mr Black: I will give a general response and then invite the team to come in.

I must put on record the fact that we have not audited police ICT systems, but what we have seen in the police highlights the need for really effective strategic commissioning of such services. Doing ICT well is always a challenge in the public sector, but the fact that, throughout the police's history, systems have generally been procured by individual police forces to meet their own needs has contributed to this huge diversity. Certainly, one has to ask how efficient such an approach is. Despite the difficulties that it experienced when it was set up, the SPSA's early experience confirms that a strategic, shared-services approach across the whole of Scotland has the potential to deliver significant efficiencies linked to quality improvements.

10:00

Miranda Alcock: We do not have much to add. The advent of the Scottish policing board is a welcome sign that the police are starting to pull together the strategic approach to which the Auditor General refers.

Nicol Stephen: My second question is linked to the wider issue of other reorganisations such as the creation of Transport Scotland and Creative Scotland and the big changes that have been made in the enterprise networks. There is no doubt that, in the current public sector spending climate, more reorganisations and significant change lie ahead. Is Audit Scotland planning any work to learn lessons from the various reports that it has done and the various changes that have taken place in the Scottish Government over the past decade and to suggest an approach that will avoid some of the fundamental mistakes that appear to be made every time the Scottish Government or the public sector in Scotland engages in restructuring and reorganisation?

Mr Black: From the work and knowledge that we have built up over the years, which culminates in this report, we have been able to put together a

series of questions that the Scottish Government and public bodies should consider when they are planning shared-services initiatives. Those questions appear in appendix 2 on page 31 of the report. I read them again last night and thought that I would find them really useful if I were in any part of government and were thinking about a shared-services project. It is extremely important that people ask those questions and satisfy themselves that they have answers before they embark on such programmes.

One of the many interesting features of the exercise to create the SPSA is that, right at the beginning, the sponsor identified the things that needed to happen to introduce such a body. However, the necessary arrangements were not put in place well, so the organisation hit some challenges. That meant not only that the process was challenging for the organisation but that its capacity was built up and the necessary efficiencies began to be delivered more slowly than might otherwise have been possible. Appendix 2 captures our best thoughts to date on the questions that people need to take into account when planning shared services.

Nicol Stephen: Could audit either within the organisation or involving Audit Scotland be part of the process of establishing a new structure or organisation? Is that preferable to auditing the process a couple of years after everything has been done wrong? I am not saying that everything was done wrong in this case, but a lot was. Is there a way of forcing people to take the excellent approach that is set out in appendix 2?

Mr Black: That is a perfectly reasonable and understandable question. The problem is the limits of our resources to be involved in such projects. As Mr Stephen knows, sometimes I must take the fallback position that audit is independent of the management of public services. If we do not maintain that independence, we cannot do work such as this report, which has integrity because of its independence.

We must balance carefully the extent to which we become involved in an advisory and support role with the need to maintain our independence. Fundamentally, it is for managers to manage their services and service development. We can assist by providing guidance in the form that we have set out. In the work that we do, we make available a great deal of guidance that is below the committee's radar screen.

Nicol Stephen: I understand that. Advice and support are valuable. Essentially, you are saying that some form of internal audit would be possible, that that might require the permanent secretary or another senior figure in the Scottish Government to say that change is required to prevent mistakes from continuing to happen, and that organisations

should adopt the sort of approach that Audit Scotland recommends in the report.

Mr Black: Systems that have been introduced for the management of capital programmes over the past number of years allow for what used to be called gateway reviews when a project reaches a critical stage. I would strongly advocate that, in significant, complex projects, such as major shared-services projects, there should be the equivalent of gateway reviews at key points; there should be an independent check, addressing the sort of questions that I have outlined, to establish how the project is going before it is committed.

Nicol Stephen: Thanks. That is helpful.

The Deputy Convener: We might want to follow up these questions with the Scottish Government.

Willie Coffey: Such a message is a common one at the Public Audit Committee. When we look back at the origins of a particular piece of work, we often discover that there was not sufficient or early enough planning in a number of areas. That has been a common theme throughout the committee's work for a number of years. Although I would be delighted if Audit Scotland stepped in to assist, there are established management processes and systems across the business community and the public sector that should enable organisations to do these things better and get them right at an earlier stage. It is perhaps a matter of encouraging the adoption of recognised quality and management standards to address these issues before they become such a problem.

The Deputy Convener: I do not know whether that needs a response.

Mr Black: I have nothing to add.

Mr Frank McAveety (Glasgow Shettleston) (Lab): My question follows on from Nicol Stephen's questions. The SPSA was a turbulent organisation—"traumatic" is probably the best euphemism to describe the history of its management structure. Paragraphs 49, 50 and 51 of the summary report identify the need to get drivers for change and co-ordination, but it seems that we are still a good distance away from that.

You have made a series of recommendations. What is the timescale for their implementation? It strikes me as very worrying that the police across Scotland have a call on the SPSA's services but nobody is shaping and directing those services to get best value for money and to prioritise them so that the SPSA makes a difference. How do we achieve that, given the suggestions in your document? What timescale would be reasonable for trying to remedy the situation, because I do not necessarily think that a minor co-ordinating group—

Nicol Stephen: Looking over Frank McAveety's shoulder, I think that he is referring to the summary report rather than the full report.

The Deputy Convener: Yes, the paragraph numbers that Frank McAveety gave refer to the key messages report rather than the full report.

Mr McAveety: It is the easy-to-read guide for those of us catching up.

I am concerned that we could be a distance away from getting something in place that would meet the aspirations of everybody on the Public Audit Committee.

Mr Black: In a perfect world, we would not set up an organisation in 2007 and then in 2010 be in a position where, as we say in the report, the

"SPSA, the Scottish Government, the Scottish Police Authorities Conveners Forum and ACPOS have agreed in principle to set up a customer commissioning and monitoring group to help develop service priorities."

That seems to me to be a cart that is well ahead of the horse. We have not been in a good place. The establishment of the Scottish policing board is an encouraging development, but there has to be a sense of urgency about this now, particularly given the forthcoming spending challenges. Perhaps the team could update us on what progress has been made on all this.

Angela Cullen: As this is an Auditor General for Scotland report, it comes to the PAC first and you get first bite at it. We follow up all our reports through the local audit, and Audit Scotland auditors for the Government and the SPSA will follow up with them how they plan to implement the recommendations. We have not set timescales, but we may be able to feed back to you on that at a later date.

Mr McAveety: The caveat in paragraph 50 in the slimmer document is that the

"SPSA is not a member of the SPB"

and

"does not always have the opportunity to provide informed input to discussions on the practical implications of adopting different strategic priorities."

Is that paragraph really telling us that the SPSA has little or no input to strategic priorities?

Angela Cullen: The SPSA is not a member of the Scottish policing board, although it can be invited to its meetings. As far as we are aware, it has been invited to meetings, although not necessarily all of them. Miranda Alcock can give more information on that.

Miranda Alcock: The SPSA was invited to the April meeting of the SPB to talk about itself. However, it was not at the June meeting of the SPB, for example, in which efficiencies that could

be generated across the criminal justice sector were discussed, as it is not a member of the SPB. Obviously, it has a role to play in that, and it could make a contribution. That is why we recommended that it should be a full member of the SPB. It seems to us that such an organisation has a role to play.

Mr McAveety: That is helpful. Thanks.

George Foulkes (Lothians) (Lab): I apologise for arriving late. I had transport difficulties.

Has any member asked about forensic services?

The Deputy Convener: No.

George Foulkes: You have some positive things to say about forensic services on page 17 of the main report. I presume that all of that was done before the current review. Is that right?

Andra Laird (Audit Scotland): Yes. That is all work that has been done up to this point in time. The current review is to do with efficiencies on top of those improvements.

George Foulkes: Improvements?

Andra Laird: Yes. I am referring to the improvements in exhibit 6.

George Foulkes: I understand that a number of options are being considered in the current review, some of which might be improvements. Other options might save more money. Have you considered them?

The Deputy Convener: George, if you look at exhibit 8 on page 25 of the report, you will see that the options are set out there in detail.

George Foulkes: Yes. Those are the options in the current review.

Mr Black: That is correct.

George Foulkes: But you have not analysed them and commented on them.

Mr Black: No. We simply attempted to give an objective account of the Government's assessment of the advantages and disadvantages of each option that is currently being considered.

George Foulkes: But you have not made an assessment of them.

Mr Black: No. That is a policy matter for the Scottish Government.

George Foulkes: Does the SPSA normally publish reports of its activities and reviews?

Mr Black: Can you help my understanding of the question? What sort of reports do you have in mind?

George Foulkes: Does the SPSA produce regular reports that it makes public?

Angela Cullen: It publishes annual reports that give an overview of what it has delivered. Those reports include their annual accounts.

George Foulkes: Its report and recommendations and the decision that it has made on forensic services have not been published. Some of us are concerned that they have not been. Is it unusual that they have not been?

Mr Black: It would be best if you raised that matter with the Scottish Government.

George Foulkes: Fortunately, I can raise the matter with a question that I will ask tomorrow.

The Deputy Convener: As there are no more questions, I thank the Auditor General and the Audit Scotland staff. We will discuss in private later how we will progress the matter.

I invite the witnesses for the next item to come forward.

“Getting it right for children in residential care”

The Deputy Convener: The committee will take evidence on the Auditor General’s report entitled “Getting it right for children in residential care”. I am delighted that we have with us Bill Eadie, who is head of social care at Stirling Council, Tam Baillie, who is Scotland’s Commissioner for Children and Young People, Peter MacLeod, who is director of social work and head of resources at Renfrewshire Council, and Michelle McCargo, who is principal officer of child care at Renfrewshire Council. We have apologies from Mr Eadie’s colleague Joan Hutcheson, who is not able to join us today.

Good morning and thank you all for coming to the meeting. Would any of you like to say something before we ask questions? Does anybody have an opening statement that they would like to make? As the witnesses are indicating that they do not, we will move straight to questions.

I will get things moving by directing some questions at Mr Baillie in his capacity as Commissioner for Children and Young People. One thing that came out of the report was the clear message that the long-term outcomes for many looked-after young people are extremely poor. In your experience, do we have enough information about young people leaving care and what happens to them later in life? Is it your understanding that, over time, their prospects are improving or getting worse, or are they just as bad as they have always been?

10:15

Tam Baillie (Scotland’s Commissioner for Children and Young People): I spent half my working life working with young people leaving care, providing emergency accommodation for young people who were homeless and working on the streets of Glasgow. In my estimation, we do not have sufficient information on the outcomes for young people leaving care. We have different bits of information, which are picked up through small-scale surveys.

For example, estimates for the percentage of young people in our youth offender institutions who were in care vary, depending on the information that you look at, from around 45 per cent to 75 per cent. I recently visited Polmont and Cornton Vale, where I spoke to groups of young people who were under the age of 21. When I asked how many of them had been in care, most of them put their hands up. I think that we could do a lot better when it comes to the general information.

We know from Scottish Government figures that an estimated 12 per cent of our care leavers are reporting as homeless. I think that that is an underestimate because, if you look at the figures, you will see that the unknown group is very large. Those are people of whom we have not kept track and with whom whatever contact we had through throughcare services has been lost. Therefore, the figure of 12 per cent relates to those care leavers whom we know about.

When I ran Stopover back in 1986, many, many more children and young people were referred to us for accommodation after reporting as homeless. I operated on the basis that 50 per cent of the children and young people who were referred to us at that time were from care. I had the chance to call Stopover recently, because I had been asked to speak about the national review of residential child care. I phoned up and reassured the manager that I was just looking for information. I asked her how many of her referrals involved people who were from care and she said 50 per cent. That spans a period of more than 20 years. I think that a very high percentage of our young people who have been in care are reporting as homeless.

The other thing that we know is that the educational attainment levels of children and young people who are in care are much lower than the attainment levels of those who are not. Great efforts have been made to improve those figures, which are probably the most reliable that we have. They have proved stubborn from the point of view of improvements. This year, we do not have those figures because a lot of time and effort has been put into ensuring that we have much better educational attainment information, and I am

encouraged by the efforts that have been made on the detail of that information.

Quite simply, we do not quite know enough about what happens to young people who leave care. Some of the figures that I have quoted are anecdotal and some of them are from small-scale surveys. We are not very good at keeping track of or keeping in contact with young people who leave care, in whom we will often have invested many years of time, effort and care. For me, that comes to an end all too abruptly when they leave care at far too young an age. We might get on to that later but, for me, it is one of the main issues. In Scotland, children traditionally leave care at 16, 17 or 18—they might be a bit older if they have been in foster care—whereas young people who leave the family home do so in their mid-20s, and that figure is rising. We expect far too much of our most vulnerable youngsters when they leave care. It is no wonder that we have difficulty keeping track of them if we ask them to move into independence at such a tender age.

The answer is no, we do not have enough information.

The Deputy Convener: Thank you. That was a comprehensive answer to the question. I can perhaps infer from what you said that we do not know the answer to the second part of my question either. Do we know whether things are getting better or worse over time?

Tam Baillie: On the basis that we do not have sufficient information to know what the situation is, that is a difficult question to answer. It is not for a lack of attention or a lack of reports. In appendix 3 of the Audit Scotland report, I counted 30 reports that are all about children and young people leaving care, so the last thing that I will call for today is yet another one. It is time that we put some of the recommendations into action.

The Deputy Convener: That is helpful. You talked about the need for action. The Audit Scotland report identified a number of serious issues for councils to address, including the need for a more strategic approach to planning and managing residential child care services. What changes are needed at a council level to improve the lives of the children about whom we have talked?

Tam Baillie: The national review that I mentioned made similar recommendations, such as a national approach to commissioning services. Some things are unpredictable at a local level, but history tells us the kind of issues that need to be addressed for young people who come into care, so we should have the capacity to commission services much more strategically.

We also know what leads to good outcomes for children leaving care. The Social Work Inspection

Agency produced a report called “Extraordinary Lives: Creating a positive future for looked after children and young people in Scotland”. Its main conclusion was that better corporate parenting at a local level was the answer to achieving better outcomes for our children leaving care. That means that the responsibility is not only on local authorities; we should take the responsibility of corporate parenting.

We, as the state, have said that we will take care of these children. We must consider how we nurture them and prepare them for adulthood much better. It is not only about local authorities but about health boards and the need to fulfil a range of responsibilities that we would expect a parent to fulfil. A parent not only accommodates a child but takes care of them and considers all their needs. That is the enormous responsibility that is on us when we take a youngster into care.

The Deputy Convener: Thank you for that. Will the council representatives comment on some of the things that Mr Baillie has just said?

Audit Scotland’s report identified care planning as an issue. What could councils do to ensure that that is more effective and leads to better long-term outcomes for young people?

Peter MacLeod (Renfrewshire Council): I emphasise many of the points that Tam Baillie made. The report outlines the fact that residential care is extremely challenging for Scottish society—Government and all of us—given the number of children whom we accommodate and the particularly special needs that they have because of their accommodated status.

I am here as a director of social work and a council representative, but I agree that—to coin a phrase—it is everybody’s job to look after the children who end up being cared for by local authorities and their partners. It is not many years since a report called “Edinburgh’s Children: Report of the Edinburgh Inquiry into Abuse and Protection of Children in Care” came to our attention. It outlined a number of issues for those children, including health deficits.

It is shocking that, in 21st century Scotland, significant health deficits have been identified among children in our care—and I have responsibility for that, as do others. There are some elements that still have to be taken up. Tam Baillie spoke about the parenting role that many of us have in our private lives, which is not being discharged particularly well in the case of some of the most vulnerable children in our care.

Specifically in relation to your question, I think that there must be a proper, co-ordinated, multi-agency approach to care planning. We need to get to know the children and their health needs, including their mental health needs.

I will pause on that point. The issues relating to the mental health of children in our care services are legion and they are particular. Our services are not tailored to or meeting those needs well enough, I would argue. I am sure that some of the statistics that Tam Baillie could share with you provide evidence that the mental health needs of the children in our care are sometimes compromised by their early life experiences, and that our services are perhaps not as well tailored as they should be in order to meet those needs. A multi-agency response is critical to care planning.

The parenting role that Tam Baillie spoke about must be discharged by councils and partners by way of corporate parenting. My view, as the parent of two young children, is that, for some of the most vulnerable kids in our society, we are all involved in a sort of irrational parenting—if somebody bullies your wean, you will do something about it. If that sort of thing happened in the context of a council service—in the units for children and the homes for children that we run—I would expect our staff to adopt an approach that is similar to that of a parent, to intervene appropriately and to develop relationships that nurture the children and bring them on.

I will qualify what Tam Baillie said about corporate parenting being the most powerful driver to better outcomes by saying that it is actually very straightforward: it is about relationships and staff. When we speak to children in our care services, which usually involves some powerful interactions, they often point to the member of staff who has made the difference—who represents the tipping point for them and who has given them the opportunity and the aspiration. In care planning terms, that is a fundamental point.

Finally, there is a system called pathway planning, which involves identifying where a child should go on their life journey by way of accommodation, employment, training and other needs that they might have. That becomes fundamental. I agree with Tam Baillie that the age of leaving care can sometimes be too early. Many of the people in this room probably did not leave their family homes at 16. Perhaps some of you did but, if so, it was probably not into a flat up a close. We have changed that now, and things are a bit better than they used to be.

Throughcare services are fundamental. We are in the process of building a brand-new unit for 10 young people in Renfrewshire. It is tailor made, and it is a new-build facility. All the wraparound services that are required in addition to that facility are critical. We have schemes that provide training and employment places in our leisure trust, and we have recently teamed up with Enlight, an entrepreneurial foundation, to consider how the

private sector can impact on the lives of our most vulnerable looked-after children.

All those things are fundamental in care planning.

Bill Eadie (Stirling Council): The one area that Tam Baillie and Peter MacLeod have not yet picked up on is the getting it right for every child—GIRFEC—agenda. As we proceed, it is clear that early identification of vulnerable children, and early intervention by the range of partners that Peter MacLeod has mentioned, will allow many children to be diverted from the care system or to enter the care system at an earlier stage, which allows us to make appropriate permanent plans for their alternative care. Although I expect that early identification and intervention would make a difference, we are clearly some years away from seeing the impact of that agenda.

Jamie Hepburn: This question is directed at the local authority representatives, although Tam Baillie is also welcome to offer his perspective. The Audit Scotland report identifies that, although the number of children who are in residential care has remained relatively static in the past eight or nine years, the expenditure on those places that has been reported by social work services has increased by 68 per cent overall. How do we account for that? Why has that happened?

10:30

Bill Eadie: I will start on that question. The cost of buying residential placements has gone up significantly, as the report indicates. Part of the problem is that local authorities have not been strategic enough in planning for the accommodation of young people; we have been at the behest of the marketplace—and a significant number of new players have entered the childcare market. Where I am based in central Scotland, four or five years ago three local authorities provided foster care and we probably had three or four providers, largely from the voluntary sector. Now, something like 15 or 16 organisations that offer and recruit to foster care placements are operating in central Scotland. They offer placements to authorities across Scotland and, as the demand appeared to increase, and possibly as local authorities reduced some of their older provision, other providers have come into the marketplace—and they have set the price that local authorities pay.

As the report indicates, it is only more recently that some authorities have started to take a more strategic approach to the commissioning of residential and foster care placements.

Michelle McCargo (Renfrewshire Council): Traditionally, when we have placed children in external resources we have tended to use what

would have been seen as residential schools, such as the Kibble, St Philips or St Johns. There has been a growth in smaller, more independent, four and five-bedded units, which pushes up the cost of care. In our own resources, we frequently have higher ratios of staff to young people.

It is increasingly the case that young people who come into our care have extremely challenging and complex needs that cannot be met in-house, so we have to go to the market and place them externally. Those providers set their own prices.

Jamie Hepburn: So part of the problem is the fact that there is a range of new providers and they are more expensive. The report also identifies that, despite the fact that local authority in-house provision accounts for about 40 per cent of all residential care places, few local authorities know the full cost of their own provision. Does that tally with your experience? Is it a problem in your area, or are you aware of it in other areas?

Peter MacLeod: Given the evidence that has been gathered for the report, it is clearly a problem. I know what the cost of care is in my council area, and how it is broken down. I also know what the budget is.

The issue is significant and, as the report indicates, worthy of further examination. There are models from south of the border, where there has been an examination of how care costs are made up.

One of the things that we in the Clyde valley area have a lead on—I have a lead on it on behalf of that group—is something called a regional children's services commissioning framework. Following the Arbuthnott Clyde valley review, we set up a body called the health and social care collaborative, which is effectively a body that is shared between two health boards and eight local authorities. One of the workstreams that we have started relates to that regional children's services commissioning exercise. We have examined the costs across eight councils and two health boards and the fact that £25 million has been spent on external residential children's services provision.

We have broken down the costs, including the different rates that different providers apply, and we are now working with local authorities, health boards and providers in the private and independent sectors to strategically plan for and commission services. That means, very simply, that we will have a better understanding—the report highlighted the deficits in our understanding—of the needs of children in the Clyde valley and that we can plan to meet those needs. For example, we want to explore non-traditional models of foster care that bring in psychology, mental health and other services as

part of the fostering experience for those children who are most in need. We are also examining a variety of other areas, including services for those with autistic spectrum conditions.

In answer to your question, there is a need to understand cost better. The costs have grown significantly, for some of the reasons that have been mentioned. As a director of social work, I believe that we need to examine that further. I am not entirely convinced that all those increased costs add to or achieve better outcomes or are entirely justified on all occasions. That has come up in some of the more difficult discussions that we are having with local authorities and providers just now.

To reassure the committee—if it appears that way—we are now involved in a much bigger planning exercise than has been seen in Scotland before, with a large population base in the Clyde valley. We are working with providers on proper strategic commissioning and planning, which includes examining costs. That will take us further forward in planning for our children's future than we have gone for some time.

Jamie Hepburn: Mr Eadie, do you have a perspective on the issue?

Bill Eadie: Yes. The report is critical of local authorities, but it recognises that we know the costs of our own units. I know exactly how much of a budget I have for my own unit, but I am less clear about the additional management costs and the costs of corporate support for that unit.

The report also identifies, with regard to external provision, that there are costs on the local authority in relation to quality assurance and contracting for services in respect of the review of care plans for individual children. Some of those costs are replicated for children who are in local authority units, so there are unidentified costs on both sides. Dealing with that would ensure that there is a more accurate reflection and comparison between in-house and external provision.

Jamie Hepburn: Can I ask one final question?

The Deputy Convener: I was wondering whether Mr Baillie wanted to come in.

Jamie Hepburn: I was going to ask Mr Baillie for his perspective on what Peter MacLeod said about the fact that the increased costs for the provision of residential care do not necessarily result in an improved service. That must concern you, Mr Baillie.

Tam Baillie: For me that is one of the most powerful aspects of the report. The report quantifies the amount of money that is being spent: I just checked the figure and it is £250 million, which is an enormous sum of money for us

to invest when we do not know what we are getting for it. Any moves or developments towards better commissioning or co-ordination in that regard must, because of that level of investment, involve consideration of how we monitor outcomes for our children and young people who are in care. It would be a really positive development if we built that in, but we would need to reconsider our expectations of throughcare and aftercare services and how we pick up information at different points, such as when people become homeless or are taken into custody. We also need to examine other, positive, outcomes with regard to employment, training and access to those things that will give children and young people a proper investment.

Any moves in relation to commissioning must run alongside developments to gather information that will help us to evaluate what we are getting by way of return on investment and the improved outcomes for our children and young people in care.

Nicol Stephen: On that point, convener—

The Deputy Convener: I think Frank McAveety was keen to come in—unless you want to comment directly on that point.

Mr McAveety: Let Nicol Stephen in.

Nicol Stephen: Paragraph 13 on page 7 of the report looks at the £250 million cost and points out that, on average, the cost is £150,000 per child. I think that the actual figure is £156,000 if you divide £250 million by the 1,600 children we are looking at. The report then goes on to talk about the variation in weekly cost between around £800 and £5,500. Could you shine a light on that and tell us the range of placements that children are going to? For example, what placement is costing £5,500 per week?

Bill Eadie said that he knows the cost of the placements and the costs that he incurs but that he is not so clear on the management cost, the central cost and the overheads. Are the overheads and the central and management costs included in, or on top of, the £250 million? For example, if you are spending £1,000 per week, is that £750 on the placement and £250 on the management and central costs? I do not expect absolutely accurate detailed responses, but it would be extremely helpful if you could give us a flavour of what is going on.

Bill Eadie: If you are looking at the very high-end costs of £5,000 or £5,500 a week—

Nicol Stephen: A lot of the costs must be high end if the average is £150,000. By definition, a lot must be above £150,000 per year, which is pretty expensive.

Bill Eadie: Residential schools for young people would generally cost £3,000-plus per week. For children at the very high end of autistic spectrum disorder needs, you are talking about £5,000-plus per week. For secure care, you would be paying between £4,000 and £5,000 a week for a secure bed—the costs vary across the units. That kind of cost accounts for the higher-end placement.

For £800 a week, you are talking about a fairly standard residential care unit that is not providing educational support to children. I suspect that the £800 reflects what local authorities would report they are spending on residential care but does not include the central management costs.

Nicol Stephen: So they would need to be added to the £250 million.

Bill Eadie: Indeed. The £5,000-plus a week would not include the costs of social work contact with the child in the residential unit, costs that the local authority might meet in continuing to provide access and family support to the child—which might involve the child coming home for weekends or periods of leave—the cost of conducting reviews or contract management. The £5,500 a week would be the cost of buying the bed from the unit. The other costs would need to go on top of that.

Nicol Stephen: It would not include the cost of schooling when that is non-residential.

Bill Eadie: At the bottom end, that cost would not include education. As you move through the middle phase to the upper end, it would include education costs.

Nicol Stephen: Thank you.

Mr McAveety: I thank the contributors so far for their candid responses on a difficult issue. We have been concerned about the baseline figure of £0.25 billion. Given your responses to Nicol Stephen's questions, the figure is probably much higher. Cumulatively, the citizen in Scotland is paying a lot of money because of what has happened in families, in the bringing up of kids or in youngsters' emotional development. That has a massive consequence for us all.

I want to ask about two or three things that Jamie Hepburn and Nicol Stephen have already raised. First, we have had a proliferation of new providers. Given your contributions, we are not convinced that that has changed dramatically the quality and range of experience. How do we change that debate with providers to try to get better outcomes?

10:45

The second thing—Bill Eadie has touched on this in some of his responses—is the big review of

residential care that you carried out. It would be helpful to have a sense of the two or three strong messages that you want to send to us from that. Tam Baillie mentioned the fact that there is no lack of political will around the table and among parties. The proliferation of reports, particularly since the Parliament was established but also before that, supports that. It reminds me of the time in the late 1960s—I know that I am going back a long time, but George Foulkes always keeps me up to date on these matters—when Jennie Lee was the Minister for Arts. She said, “Give us some money and a period of silence.” That is maybe what Tam Baillie was suggesting when he talked about the number of reports that there have been.

A lot of money is already being invested and I am not convinced that more money would make any real difference unless we strip things back. It would be helpful to get a sense, from all the witnesses, of how we can really drive that. I know that there are people at local authority level who are absolutely committed to making a real difference. Conveners whom I have spoken to over the years have cared passionately, particularly when they have been confronted with the circumstances that the youngsters arrive in care from. How can we get the drivers for change? There is broad political will and a fair amount of money is going in, and we know from the Audit Scotland report that there are ways in which we can maximise that. Can you give us a sense of that, so that we can take the issue forward?

Peter MacLeod: I am happy to start. It is a fairly challenging question, but rightly so given that £250-plus million is being spent on the service.

The report confronts the need for greater partnership between the increasing number of providers and councils. A number of us at the table will remember a time when almost all the residential child care in Scotland was provided by councils, trusts or charities of one kind or another. That has changed as the cost has increased. It is challenging to say this, but the reality is that we are now absolutely not convinced that every penny is being spent on achieving an improved outcome. We need to change that, and that is obviously the origin of your question.

The national residential child care initiative, to which Tam Baillie referred, was a milestone—or tipping point. “Higher Aspirations, Brighter Futures” tried to corral all the providers and key players in asking what we are driving for and what our key aspirations are. That has been a helpful process. Also, we lead the regional children’s services commissioning planning exercise in Renfrewshire, and I have stood up in front of 50 or 60 providers of residential care and a large number of providers of foster care. It is the first time that we have got together and asked what we

are driving towards together, which has been very helpful.

I take a slightly different approach—I do not want to use jargon—in that I think that we know what our children who require accommodation need but I do not think that we are delivering it in a consistent, strategic way. Given the fact that we are a relatively small country with a small proportion of children in particular and extreme need, we must be able to plan effectively. We know what the children need because they tell us; yet, we provide relatively costly services that could be delivered on a more outcome-focused basis. That might sound a bit aspirational, but I firmly believe that part of the answer lies in a project that we have launched with lottery funding. It involves one local authority and partners and is called achieving step change. We are using a methodology called logic modelling to look in very great detail at the needs of our child and parent populations in one locality in Scotland. We will then, over a three-year programme and on the basis of those needs, make some radical decisions on and changes in how we use the money—which I reckon is about £300 million of public expenditure on children’s services in one locality.

The reality is that services have been put in place as a result of political policies, funding streams of one kind or another or need. In 2010, we need to stop, think about the money that is being spent and how we can spend it differently. That means that we must all get out of our respective agencies—or silos, perhaps—and say that we must be brave in the way we spend that money. If I were a betting person, I would say that most of the money would end up being spent at the preventive end.

It costs £250,000 to accommodate a child in secure care in Scotland. The fact that we spend that money is an indictment of our system; it means that that £250,000 is not being spent on preventing that young person requiring to be locked up. That has to change, and it can be done only through a properly articulated understanding of how we can use the money better. My argument would be that if we can use that approach in one local authority area we can perhaps use it nationally.

Mr McAveety: I mentioned the review. Can we hear from Bill Eadie on that?

Bill Eadie: Three years ago, if Stirling wanted to accommodate a child and we did not have a foster care placement or a place in one of our residential units, my resourcing officer would have phoned around the various organisations in Scotland to ask whether they had a bed available. That provision might not necessarily have met the needs of the child, unless we had had reasonable

warning that the child was going to be accommodated, and the price would have been set by the organisation. The contract that we signed was the one that was provided by the organisation; it generally involved how much it would cost and how much notice we had to give if we wanted to terminate the placement.

With support from external consultants, we carried out a review of our commissioning of residential care and arrived at a model that we could use to build in some prediction of the likely need for placements outwith the provision of the authority. We then agreed, across our partners, including health and education, the kind of outcomes that we were looking for. They were largely based around the safe, healthy, active, nurtured, achieving, respected and responsible and included—SHANARI—principles that are in the getting it right for every child programme. We then created a contract and tender document that included what we were looking for.

After some soft market testing to find out whether providers would be interested in a shift in the model of commissioning services, we went out to tender. Six or seven organisations came back to us on foster care or residential care—significantly fewer than the number of providers in Scotland—and we narrowed them down through a scoring process and through interviews with the providers.

When we issue a contract now, we are clear about what we expect from the providers who enter into a contract with us. Now, there is a more positive response from most of the children—not all, as there are occasional exceptions to the contract level because certain children have more extreme needs. One of the ways in which we measure that improvement is by the fact that we no longer get calls on a Friday from residential care providers, saying, “We can’t cope with this child any more; a member of staff is driving them down to your authority.” Built into the contract is a process of review, consultation and penalties that the provider is subject to if they take that view, so it has stopped. That has made an incredible difference to the lives of children, because it is now possible to plan moves if we do not have the appropriate placement. That is the approach that we have taken to try to improve the situation.

Mr McAveety: Both Peter MacLeod and Tam Baillie mentioned relationships. It is a truism in any walk of life that your life can be shaped by the quality of the people who are around you at different stages. How do we build that into spending patterns, to provide much greater consistency? In a relatively small country, with a small number of youngsters, we should be able to find people with the skills to do that.

Michelle McCargo: There are people who are willing to do that. We must support them in seeing

residential care as a worthwhile career that is meaningful, for which they are properly trained and from which they get job satisfaction. Unfortunately, the job is very demanding emotionally. It is important that councils that still have residential units make the job as attractive an opportunity as possible. In residential care, in particular, in which people are looked after by three shifts a day, it is critical that the people who look after them are committed to them, have the value base and skills to bring them on and aspire for them. Irrational parenting is critical. I want residential staff to fight for young people to the point at which that is irrational, because that is what the young people need.

Anne McLaughlin: You referred to irrational parenting. It is clear that people are more likely to be homeless or to have lower educational attainment if they do not have their family’s support. Peter MacLeod asked at what age people left home. I was quite young—I was 19—but I always knew that if I messed up I could go back home or get my mum and dad to sort things out for me. I still know that, although I will not say what my age is. [*Laughter.*] It is 34.

Mr McAveety: Do not be irrational.

Anne McLaughlin: I cannot remember what my previous lie was.

When my parents are gone, I will be able to turn to aunts, uncles, cousins, sisters and brothers. That makes a significant difference to my life. It also affects educational attainment if someone is really pushing you when you are at school, telling you that you can achieve and giving you positive reinforcement throughout your life. I was interested in Tam Baillie’s comments on corporate parenting and would like to find out more about that.

Frank McAveety asked the bigger question that I wanted to ask, and Peter MacLeod answered it pretty well. I will focus on two shorter questions. The first is directed at Peter MacLeod, who talked about the mental health problems that are particular to children in residential care. Can he tell us a little more about those?

Peter MacLeod: When I was last before the Public Audit Committee, it was to discuss mental health issues. We had a lot of debate about adult mental health. I recall saying that the mental health of young people is often an indicator of issues in later life. It is a fact that, as a result of the adversity that many of them have faced, almost half of the young people in accommodation experience issues relating to mental health; Tam Baillie can help us on that point. I am always aware that, as my career in social care has developed, the issues for young people in need have not become less challenging. There is no

question but that the difficult circumstances that we sometimes see affect our young people's mental health.

One of the exciting outcomes of the grouping of eight local authorities and two health boards in the Clyde valley has been that the NHS has come on board on alternatives to secure care, especially through the commitment to provide a clinical psychological assessment when someone is being considered for that kind of intervention. We need to engage with such issues much further downstream. It is clear that for some time there have been significant issues across Scotland relating to child and adolescent mental health services. I do not wish to add to the plethora of reports, but reports on those services in recent years have found deficits in resource levels.

The deficits have been made up in some localities, but there are still significant issues that we need to deal with when it comes to the mental health of young people. That goes back to my earlier answer: although it is everybody's job to ensure that children in residential care are okay, there are particular jobs and relationships that deliver that. We must be cognisant of the fact that there are specialist services, such as mental health services, that should be engaged. For my money, for most children who come into accommodation, if not all of them—although that is perhaps slightly controversial—if an assessment of mental health needs is not to be automatic, it should certainly be a consideration that is ruled out rather than ruled in, because of the adversity that those young people have often faced. That might be a mechanism to ensure that the proper supports and services are put in place earlier rather than later.

11:00

Tam Baillie: One of the reports that Peter MacLeod referred to was produced by the Office for National Statistics in 2004. It reported that 45 per cent of children in care in Scotland from a sample of local authorities were found to have mental health problems. We must set that beside the evidence to the Parliament's Health and Sport Committee's inquiry into CAMHS about very long waiting lists for such services for children and young people, particularly children in care. There is a breakdown between what we know about the mental health needs of children in care and our response to it as a society in Scotland. For too long, that has been a running sore in the way we care for our children. The people who care for our children need sufficient capacity to attend to the range of needs, including mental health needs. I note that there are recommendations on the link with the NHS. That came through in the Audit Scotland report and in the report of the national

review of residential child care. If anything is going to be done about commissioning, that issue needs to be addressed, because we will continue to have difficulties providing for the range of needs of those children as long as that gap exists.

Anne McLaughlin: I have a question about corporate parenting. As I do not have a social work background, I have never heard that term before. We have talked a lot about not having proper information on outcomes because we do not monitor children properly when they leave care. I agree that some children leave far too early. Tam, were you suggesting that the corporate parenting role should last longer? Michelle McCargo talked about irrational parenting. If someone is in care, irrational parenting might be achieved, but it stops at the age of 16 or whenever they leave care. Is there a case for it to go on longer—perhaps not living in residential care, but having a long-term relationship?

Tam Baillie: Yes. We have tried hard over the years to ensure that young people do not leave care at too early an age. We even changed the rules so that there was a continuing responsibility with throughcare and aftercare. We do not properly analyse the figures on young people leaving care. We have to dig fairly deep to get the average age of young people leaving care. We have to look carefully and consider the different ages at which young people leave different types of care.

The simple question that I pose is, what would we say to our children at age 16 when they said they wanted to leave home? I know what my response would be. I certainly would not facilitate that. I would say, "Your place is here." I would make sure that, as a young adult, they left the family home at a time that was right for them. Some children and young people report feeling that they moved on too early. We are often too willing to go along with a young person who insists that they want to leave care at an early age.

That is a rather strange thing for me to say, because in general I want to stress how well we listen to the views of children and young people. However, we need to be realistic about our expectations of them. Anne McLaughlin touched on that earlier. What happens when they leave care? They are expected to leave in a linear fashion and there is no comeback. They move on to supported accommodation, which might provide less support than is provided in care. I illustrated earlier that they might well find themselves in homeless accommodation, which provides even less support, and there is no re-entry to the caring environment that is, in my estimation, what many of those young people need.

If we look at the patterns of young people leaving home nowadays, we see that they leave home on several occasions. They leave and they come back. They leave again and spend a little bit longer away, then they come back. Children who leave care do not have the luxury of that pattern, yet they are our most vulnerable youngsters. Entire systems have identified that they are the youngsters who are most in need of support and care. We have to look not only at how we can best prepare them but at the systems that can normalise their experience in relation to that of children and young people who leave the family home, because that is what is asked of a corporate parent.

Anne McLaughlin: I know that there is a lack of information and that the report does not cover all the categories, but in looking at children who do not live with their parents, anecdotally, are there different outcomes for those in residential care, those in foster care, those who are adopted and those in kinship care? Is there a significant difference?

Michelle McCargo: There will be differences across the piece. We also have to acknowledge that, much of the time, we parent in partnership with birth families. That relates to Tam Baillie's point about young people who leave care at 16. We do not want them to leave care—we clearly say to them, "Don't leave care"—but if they do so, they often pull back to the birth family. It is often the first opportunity that they have to make a decision to return to the birth family, and it is sometimes quite overwhelming. As professionals, we know that it will not work out, but we need to get better at being more flexible and responsive when it does not work out. We need really robust throughcare services. It is quite difficult to readmit young people to our children's units, although we have done that in Renfrewshire on occasion. Often, when a young person leaves, another young person is waiting to move into the unit, so it quickly becomes full and we do not have the flexibility of allowing the young person who has lived there for a length of time to return.

Outcomes vary, but we could not say that they are poorer in residential care just because it is residential care. Residential care is right for some young people and they tell us that it is what they want. They do not want to live with a family; they want to be cared for in a group setting, because that is less traumatic for them, given what they experienced at home. We have really good outcomes for some of our young people. I agree with Tam Baillie that how we trail that and how we measure it is a bit ad hoc, but we have young people who are at university, and a young person from one of our residential units worked in partnership with the commissioner and now works for Who Cares? Scotland.

We cannot straightforwardly say that someone's outcomes are poorer because they grew up in residential care. Many adoptions do not work out and many kinship care arrangements are not as great as we would like them to be. We cannot overstate the lifelong impact of the neglect, trauma and abuse that young people have experienced when living with their birth family. Sometimes, by the time they are in the local authority's care, the damage—for want of a better word—has been so great that it is difficult to undo.

Tam Baillie: I started by mentioning "Extraordinary Lives". That positive report looked at the experiences of children in care and what worked for them. There are some positive signs, and we can see positive outcomes for some children. The issue is that there are just not enough of them, and that is why we need to focus our attention on ensuring that every child in care does at least as well as their peers, regardless of their previous experience.

The Deputy Convener: I see that you want to get in, Mr MacLeod, but I ask you to hold on for a moment. I am keeping an eye on the clock, but I am aware that quite a number of members want to ask questions on this matter.

George Foulkes: I am most grateful to the witnesses for their very helpful evidence so far. However, I want to ask about prevention, bearing in mind Tam Baillie's comment that, despite the publication of report after report, things have not improved since 1986, and Peter MacLeod's point that, although it is right to spend so much money on these issues, the fact that we have to do so is still a terrible indictment of our society. I do not know whether you have heard of George Hosking of the WAVE Trust, but he and others have pointed out that people can make uncannily accurate—indeed, almost 100 per cent accurate—predictions of the children who will go into care and have highlighted the importance of very early intervention. Perhaps you can help us. Is anything in legislation or the administrative structures of the Government or local government inhibiting our moving positively in the direction of early intervention?

Peter MacLeod: The issue of prevention and early intervention has been much discussed in many fields, particularly children's services. George Hosking is right to refer to the predictability of certain outcomes in families with issues, and indeed services such as social work have to deal with issues that move from one generation to the next. As part of our approach to issues arising from the neglect of children through drug and alcohol misuse—which of course are not isolated to Renfrewshire—we recently asked all agencies to highlight the families that they were most concerned about. Now that we have that list,

we are looking systematically at intervention, and indeed at earlier intervention if that is what is required. Perhaps as a result of resource constraints, our current systems can be reactive. In other words, involvement is precipitated by an incident, which is not helpful to the child and takes place after the event.

Initiatives such as the positive parenting programme, which is currently being rolled out across the west of Scotland, have been utilised very successfully in other parts of the world, including Australia. I believe that such measures have currency, as they are about early intervention and ensuring that parents are equipped. As anyone who is a parent will know, you do not automatically become a complete parent the moment your child is born, and some of our most challenged families face significant issues in that regard.

Locally, we are also surveying the community in very great detail about its needs and asking parents and children to tell us what their needs are and what they want from services, and we have committed to reconfiguring those services on that basis. However, the fact is that we probably do not aggregate all the information from our communities effectively enough to target resources at those who are in most need or to see them in any joined-up way.

George Foulkes: But that is a practical suggestion. Do you feel that legislation or administrative structures inhibit very early intervention?

Peter MacLeod: I am not sure that they do. What we need is a more systematic approach to understanding community needs.

George Foulkes: Might the reaction of the media, which can be very unpredictable and inconsistent, also be an inhibitor? After all, social workers can be damned if they do and damned if they don't.

The other issue that I want to raise might be rather more delicate. Religious organisations seem to have some reservations about early intervention, because they see the nuclear family as the best option for the child when that might not be the case.

11:15

Peter MacLeod: I am happy to follow up on that quickly. We are moving away from ownership of the child in need or the child who has difficulties lying with the social worker. The getting it right for every child initiative is making sure that people view such children as a joint responsibility of education, nursing services, health visiting and

social work services. In that sense, our approach has moved on.

You made a point about early intervention, the media and religion, and it is controversial. In some families, significant historical events can militate against good outcomes for the children from birth, which is why we have to intervene early. We have moved on a little bit from where we were after the Orkney inquiry, for example, the reaction to which led to children remaining in their families for longer, sometimes with damaging results. Increasingly, the correct balance is being struck, but we still have to deal with some issues.

Tam Baillie: We are talking about the earliest years. The starting point is ensuring that we popularise support to parents, because it is not just about people getting support when they are in deficit. The current Administration has done a good job in making the case for why we have to get involved in assisting with the parenting of our youngest children. There is a convincing body of evidence about the impact of attachment and parenting on the child's emotional, social and cognitive development. The lessons are there for us to learn. The key is to ensure that we implement what is currently called the early years framework. In my view, we must be more assertive about that. Peter MacLeod has mentioned parent programmes, and I have previously stated publicly that we should have a national approach to them.

We should also be looking at developing family learning centres that deal with children from age zero to five. In fact, there are already pilots to support our youngest parents through pregnancy and the early years. We must be much more assertive in implementing the current early years framework. That will give us good long-term outcomes for the whole of our population. We have a generational opportunity to look at how we resource that.

Part of it is to be brave enough to take on accusations about being a nanny state. I am talking not about a nanny state, but about ensuring that our parents are given the best support that we can give them so that they can nurture and develop our children so that they can enjoy the best childhood. That is a major challenge for our society, and it is not just down to social work, education or health; it is about everyone looking at how we can develop that support.

So there are plans, and in my view we should be more assertive. I have been encouraging better articulation of what the early years framework should look like at the local level. The suggestion that we look at children's earliest years is very helpful.

Bill Eadie: The committee will be aware that we have new adoption legislation. Under the previous

adoption legislation, there were difficulties in getting freeing orders. It will be interesting to see how the new legislation is applied, and whether it has an impact on the small numbers of children who require permanent alternative care.

Tam Baillie: I do not want to hog the discussion, but I will add something. We must be much smarter at making permanency decisions at an earlier stage. We cannot have children oscillating between care and the home in the hope that things will work out in the home. We must ensure that we have good assessment. Our efforts must be geared towards the child being at home with support, but if our assessment is that that is not the best place, we must learn to be more decisive and trust in our assessments.

We have quite a long way to go. An interesting pilot in Glasgow is examining that model. The starting point is to try to have young people or children properly accommodated at home, but when that is not the best place we must be prepared to make the decisions.

The Deputy Convener: Thank you.

Willie Coffey has been waiting patiently to ask about commissioning and joint working. Nicol, do you want to ask about the point that we have just discussed?

Nicol Stephen: Yes.

The Deputy Convener: If you can be brief, I will let you in and then we will move on to Willie Coffey.

Nicol Stephen: We must always remember that each of the 1,600 children in residential care is an individual and that they have very different backgrounds and stories. Some, as you have said, have autism or severe special needs. Some have been involved in offending—sometimes extreme offending. I will focus on prevention and support. It is often called early intervention, but I, like Tam Baillie, believe that support is the first stage.

I will mention a situation that I was involved with as a constituency MSP. A single mother who looked after her young girl at home had lost control. She was desperate and believed that someone else could do a better job. There had been no offending and the authorities had not been involved. She got in touch with the authorities and a social worker was appointed.

In time—this happened over the course of about two years—foster parents got involved. The child ran away from the foster parents to go back home. Because of that, she was put into residential care. Because she ran away from residential care to go back home, she was put into secure accommodation away from the city of Aberdeen. At that stage, it became very difficult to get information about the child. One felt that she was

into a process. It was tough for the mother and for me as a constituency MSP to get information, but one sensed that the girl was involved in a downward spiral—things were getting worse and worse. After the child left secure residential care, she was next discovered in the central belt of Scotland involved in prostitution and drugs. She no longer ran away to get home.

That is a tragic and terrible story. It is a tragic indictment of the system that we have in the 21st century in Scotland. How many of the 1,600 children are that girl? How many can be saved from going into that terrible downward spiral? Is the number significant or is it small?

Tam Baillie: I have met those youngsters. I have not met that particular young woman, but I have met youngsters who ended up in the central belt and on the streets of Glasgow. In my view, the reason we take children into care is that we can care for them and develop them. For every one of those 1,600 youngsters, an individual assessment has been made that it is better for them to be cared for in whatever circumstances than to remain in their home.

I cannot possibly comment on that case or anything to do with it, but I trust judgments to be made locally and individually. The key issue for me is that, once those judgments have been made, we must prioritise every looked-after young person. I include not only those in residential care but young people who are looked after in foster placements and at home.

One key message that is coming out is that, regardless of the amount of money that we spend on looked-after children, we need to give a higher priority to the things that count. I refer to some of the things that were mentioned earlier. Stability of placement is key. Once we have identified that a young person or child needs to leave home, we must ensure that they go to absolutely the right place and that they stay in that place. That is where the one-to-one relationships are developed, as well as the attachment that counts for so much in the early years of children's lives—and it counts all the way through. We must ensure that the child has a secure attachment to whoever is charged with the responsibility of caring for them.

I do not write off any young person among the 1,600. We have a responsibility to provide for and maximise their development and potential for the rest of their life.

Nicol Stephen: Do you think that the right decisions are being made on each of those 1,600 children being in residential care?

Tam Baillie: You have to trust the decisions that are taken at a local level.

Nicol Stephen: That is not my question—I need to press you on this. Are you saying that, in your belief, in your judgment and with your professional experience, the right professional decisions are being taken at a local level on all those 1,600 children being in care?

Tam Baillie: No. Everybody accepts that we could and should do a lot more at an earlier stage.

Nicol Stephen: How many of those 1,600 could you divert? Do you have the facts and the information about that? If you do not, would it not be valuable to be able to make that assessment?

Tam Baillie: The answer is that I do not have that information. I do not think that anybody, if pressed, could say how many children and young people we should ensure are not received into care. That is effectively the question that you are asking.

Nicol Stephen: You could consider international comparisons, and see how other countries do it. There are lots of ways to analyse the issue and to judge whether the figure of 1,600 and the cost of £250 million upwards represents the right sort of approach in a country such as Scotland.

Tam Baillie: It is not just a per-head calculation; we also consider the circumstances in which children and young people are living.

Nicol Stephen: Exactly. I am not suggesting that it is simply a calculation of that sort, but I am suggesting that such judgments can and should be made.

Tam Baillie: They can and should be made at a local level. As I have said, we have to trust the systems that are in place at a local level to make those judgments. There is a common acceptance that earlier intervention can assist in many families and in many young people's lives. The direction of travel is to try to provide such intervention at an earlier stage. I have already spoken quite a lot about making that stage as early as possible in children's lives. Right the way through, we should consider intervening where there is an assessed opportunity for the child to thrive and develop in the family.

I do not know whether that quite answers your question, but at this stage I am not really prepared to put a number on the children who we would be able to avoid taking into care. I believe—and there is an acceptance—that putting a lot more in at an earlier stage would bring benefits.

Nicol Stephen: It would reduce the figure.

Tam Baillie: Yes, and if we introduced a range of interventions at an early stage, such as parent programmes and family learning centres—and as long as we looked at the research and provided

the measures in the right manner—we would save money in the longer term.

Bill Eadie: It is worth reminding the committee that many decisions are subject to scrutiny through the children's hearings system, so there is something of a balance and a check on many decisions regarding the accommodation of young people. In Stirling, the vast majority of children who are accommodated are subject to statutory measures of care, so our interventions have been looked at by children's hearings panels and they have reached conclusions on supervision requirements. That also ensures that the children's continuing care provision is subject to external scrutiny.

The Deputy Convener: Willie Coffey has been extremely patient all morning—as usual.

11:30

Willie Coffey: I am extremely encouraged by the commissioner's and both local authorities' comments and submissions.

Members have already asked questions about a number of issues that I had hoped to ask about, but I have a question for Peter MacLeod. You have commented on the broader strategic approach to commissioning, but will that lead to better outcomes for kids? Will it reduce some of the ridiculously high costs that we have heard about? Is there any evidence that already points you towards thinking that?

I also have a question for Bill Eadie. I was pleased to hear his summary of what is happening in Stirling. As I recall, we invited representatives from Stirling Council and Renfrewshire Council here so that we could hear about what is happening in their areas. I am keen to hear about your plans and the work that is currently being done. Will it significantly affect outcomes for kids? Will we be able to save money on the high costs of the services so that we can invest it at the front, preventative end? From what I am hearing, I think that all members would prefer investment to be made at a much earlier stage in the process.

Peter MacLeod: There is already good evidence, at the early stages of the regional commissioning initiative, that we are developing a much better outcome focus on what we want for our children in need in the future. Examples of that link with Nicol Stephen's last question. One workstream that is being progressed by the councils and two health boards in the Clyde valley is to do with alternatives to secure care. The number of secure beds in Scotland has recently been reduced, of course. That is a good indicator that people are trying to avoid the scenario that Nicol Stephen spoke about, in that it recognises a commitment to avoiding punitive measures being

put in place for young people. Of course, such measures are often put in place to protect them from themselves and from self-harming behaviour, rather than to protect others.

There is already good evidence that, in the development of alternatives to secure care, programmes such as multisystemic therapy programmes can be utilised to dampen the number of children who come into secure care. Sometimes, the approach is not rocket science; rather, it is about forming relationships and engaging individuals in diversionary and other activities.

Equally, there is good evidence that we are seeing a better outcome focus developing around services for children with autistic spectrum disorder. It is often about supporting, through respite and outreach support and programmes of support, parents who are challenged in caring for children.

One of the most powerful discussions that I have had recently took place after Hugh Henry and others wrote to me in Renfrewshire to ask me to meet parents of children with autistic spectrum disorder. Those parents said that there is a pre-five parenting programme that they had evidence on and had used, and that it was great. Our staff have now implemented that programme. Parents taught our staff how to develop and deliver it. Therefore, there is a focus on outcomes at the front line. Parents are saying what works for them, and that is being translated into service outcomes. That is a positive development.

There is evidence that some things are heading in the right direction, but I agree that we need to reduce costs at the higher end in order to invest at the more preventative end. I equally agree with the point that Tam Baillie made. The approach should not always be based on the deficit model; rather, there should be a more general population-based approach to how we parent and care for children.

Bill Eadie: The other challenge that we have is to do with the transparency of the higher cost packages and understanding why care costs should be as high as they are. To date, we have been unsuccessful in trying to understand that, possibly because of the open market in which we are operating. Work is being done around a national contract for secure care, and the Association of Directors of Social Work has raised the issue of trying to understand and get a breakdown of why the costs of secure care for young people are so high. That is in order to get an understanding of how much of the costs are invested in the care of and outcomes for young people.

Willie Coffey: Given the review that you have carried out and the more rigorous approach to what you are doing, are your costs getting higher?

Bill Eadie: We managed to put a peg on the charges for the period of the current contracts that we put out. We went for a zero increase over the two years of the contracts with the potential to extend that for a further year. We achieved lower prices for foster care than for residential care. Peter MacLeod and I had a discussion about that outside the committee room before we came in, and it was interesting to discover that, although we use the same providers, we pay different charges. There is still very much an element of market operation.

Stirling Council is a very small purchaser in comparison with Renfrewshire Council and Glasgow City Council, but I am achieving a better price than Renfrewshire Council is able to get—although I am not going to say from whom. So, there is an element of current providers taking opportunities not to make a profit, but to charge differently for what is ostensibly the same service.

Willie Coffey: There is clearly scope for more collaboration. Thank you.

Hugh Henry (Paisley South) (Lab): I note with fascination Bill Eadie's comment about his getting a better price than Renfrewshire Council does, which I will ensure is fed into the current discussions on budget cuts in Renfrewshire.

I want to ask about secure accommodation. Notwithstanding what Peter MacLeod has said about the need to have alternatives and, where possible, to keep young people either with their family or in the community, Nicol Stephen gave a good example of a situation in which secure accommodation is still necessary. Is it your view that secure accommodation still has a role to play in Scotland? It has been mentioned that the number of secure accommodation places has been cut. Is there a danger that the number could be reduced by too many? What would happen if we went too far in that direction?

Michelle McCargo: There is a role for secure care for some of our riskiest young people. Secure care is used for young people who are at risk or who pose a risk, and for young people who are sentenced by the courts because they have committed serious crimes. If we did not have secure care provision, we could have 15-year-olds serving sentences in adult prisons, which would be absolutely unacceptable, in my view.

We do, however, need a better range of alternatives for the young people who pose a risk to themselves. Local authorities often use secure care in such situations because they cannot keep the young people safe from self-harming or drug-taking behaviours or because of scenarios such as

that which Nicol Stephen presented to us earlier. We have had input from the WAVE Trust that says that we can predict at an early age the young people who might be on that pathway; so, we need earlier and more effective intervention for them.

Hugh Henry: What would happen if we reduced the number of secure places but there was a level of demand that we could not meet? As you describe, young people could be serving sentences in adult prisons, which would be inappropriate. What would happen if we went too far in reducing the number of secure places?

Michelle McCargo: Perhaps Tam Baillie and others would be better placed to answer that, but it is my understanding that the beds that are available just now will be mothballed—we are not talking about losing the beds completely. We have used fewer beds over the past couple of years, so what we are doing now is capitalising on that reduction in use and saying that we want to develop alternatives, particularly for young women. At the moment, the children's panel frequently makes decisions to place young women in secure care, although it would not make such decisions when faced with a young man with the same issues. We must ensure that, when we deny someone their liberty—which is what secure care is—we have no option other than to do that.

Hugh Henry: Are local authorities seeking a different outcome from that which has been recommended by the children's panel in relation to those young women?

Michelle McCargo: If a children's panel decides to place someone on a secure warrant rather than a secure order—a secure warrant is for a three-week period—the director of social work currently has the authority not to implement that warrant on the basis of a risk assessment. However, nine times out of 10, the warrant is implemented. The directors who are here would be better placed to speak about that. That may be explained by the fact that we are able to put in other measures. When we have not implemented a secure warrant for a young woman, we have used other services to ensure that she is kept safe during the three-week period.

Hugh Henry: My final question relates to finance. I know just how expensive secure accommodation can be, and that social work budgets are under a great deal of pressure. Will that pressure start to cause a problem in situations such as the one that Nicol Stephen described? Should secure accommodation places be funded centrally?

Peter MacLeod: That is a fair question. The cost of a child remaining in a secure placement for a year is £0.25 million. It is extremely difficult to

budget for that, because it is difficult to predict that a child will go to a hearing today and end up with a secure order. As Michelle McCargo said, I have a veto on whether a child should enter a secure placement. It is reasonable to ask whether placements should be controlled centrally, but I am not sure that that would contain cost pressure any better. It would give better oversight and managerial control over the allocation of placements, but the main issue is how we develop alternatives.

Alternatives to secure provision in Scotland are not as developed as they could be. Initiatives such as those in the Clyde valley and elsewhere are advancing the process. As you are aware, we have intensive support and monitoring systems that have controversial elements, such as the tagging of under-16-year-olds. However, utilising programmes that are often half the cost—or less—of secure placements is better than taking someone's liberty away from them.

I am not sure whether secure placements should be centrally managed, but that could have the effect of containing demand. The costs of secure placements have implications for the rest of children's services, with some children not getting services that are as good or as intensive as they might be. The committee must also recognise the impact of those costs on the rest of social care. Our demographic is such that the number of older people is burgeoning. The costs of secure placements have significant implications for the costs of social care and related budgets.

Hugh Henry: That is the point that I am trying to make. Removing the financial pressure of funding secure placements from local authorities could allow them to concentrate their resources on alternative methods.

Bill Eadie: If funding were centralised and capped, the challenge that chief officers face around decision making would just be transferred to a centralised body. There is an incentive at local level to ensure that we work towards meeting children's care needs. Members of Stirling Council expect decisions that I make for or against secure accommodation to be based on the care needs of the children concerned. There have been occasions when, as chief officer, I have sought secure placements outwith the children's hearings system, because the level of risk to the individual concerned was so high that they needed to be somewhere where there was a degree of control to help with their care.

Peter MacLeod is right when he says that we need to develop alternatives. However, as someone who makes relatively little use of secure care, I have never had a problem getting a bed when I need one.

11:45

The Deputy Convener: Nicol Stephen has a brief, final question.

Nicol Stephen: The question is on secure accommodation. We send to secure accommodation, at a cost of approximately £250,000 a year each, boys and girls who have committed offences—in some cases, very serious offences. We also send to secure accommodation, also at a cost of £250,000 a year, boys and girls who are vulnerable and at risk of self-abuse. Are individuals in those different groups sent to the same secure accommodation? Is a distinction made between offenders and those who are at risk of self-abuse? Is a distinction made between boys and girls? Will you explain the current system?

It is my understanding that, in the case that I described earlier, the young girl in question was sent to secure accommodation—which I think would have been in Montrose—where there were serious offenders. She was sent there because of her vulnerability and because she was at risk of self-abuse.

Michelle McCargo: That is the case. Secure units house young offenders and young people who are deemed to be vulnerable. That is one of the main reasons why, as local authorities, we try everything within our power to avoid sending vulnerable young people to secure care.

Nicol Stephen: Is not that about the most shocking, disgraceful and inappropriate system that could possibly be constructed?

Michelle McCargo: It is certainly a system that presents us with a lot of challenges, although the secure units do everything within their power to manage the situation as well as they can.

Nicol Stephen: That is a bit like sending an adult who had serious mental health problems and who was at risk of self-abuse to Barlinnie. Would you send an extremely vulnerable person who was at risk of self-abuse to a high-security prison where they would come into immediate contact with, and mix with, prisoners who had committed some of the most serious offences? That is an exact analogy, is it not?

Peter MacLeod: I am not sure whether it is an exact analogy. In the adult justice system, the needs of individuals—

Nicol Stephen: I am talking about the practice of sending young people with mental health and self-abuse problems to a place where they will meet and come into contact with the most serious child offenders. Is that not a pretty accurate analogy? I must press you on that point.

Michelle McCargo: I think that we must acknowledge that young people who commit

offences are not just offenders. Frequently, they will have been offended against and will have suffered abusive and neglectful experiences, to which their offending is often related.

Nicol Stephen: I do not doubt that, but the same applies to adult offenders, does it not?

Michelle McCargo: Yes it does, but the offenders whom we are talking about are still children. That is why we have a system of secure care for them, instead of sending them to prison-type accommodation.

Nicol Stephen: So, you would defend the current system?

Michelle McCargo: No, I would not defend it, but—

Nicol Stephen: I am asking for your view of that system. Is it acceptable? Is it defensible?

Michelle McCargo: I would prefer us to have a range of options to use for vulnerable young people that did not involve their being placed in secure care at all. I have had to use secure care for young women who have been sexually abused while their abuser has been at large. It is difficult to explain to a young person that they require secure care because of the extent to which they are at risk.

Nicol Stephen: You could be putting young people into secure care where there are child sexual abusers.

Michelle McCargo: That is not the case with young women. When they go into secure care, they are only with other young women.

Peter MacLeod: It is obviously a highly challenging situation. Secure care is an option of last resort. Increasingly, we are developing alternatives as, I hope, the committee has heard. One of the real challenges is in providing alternatives for young women who require the highest levels of care because, by definition, they are often at greater risk than young men.

Is the current system acceptable? Is it an issue that high-risk offenders are placed alongside very vulnerable people? Of course that is troubling. I am sure that it is a concern that is shared by other members of the committee and other witnesses. A safeguard that is in place in Scotland and not in other parts of the UK or the world is the children's hearings system. I make it clear that different programmes are available. There would be some separation between the highest-risk offenders and the most vulnerable—that is the case in our secure units.

We also have secure units such as the Good Shepherd centre in Bishopton in Renfrewshire, which is a girls-only facility. I do not know the statistics off the top of my head, but I guess that

the vast majority of individuals at that centre are not serious offenders but are more offended against.

Resources in the system mitigate some of the risks that Nicol Stephen described. From my career, I am not aware that somebody who was vulnerable and in secure care because of their vulnerability has been seriously offended against by a high-risk offender.

Tam Baillie: The approach of our children's hearings system is to treat youngsters on the basis of need, regardless of whether they have been offended against or are perpetrators of offences. There will always be secure accommodation and we will always have children and young people who are a danger to themselves or to others. In my experience, those who are a danger to others have had similarly traumatised lives to those who are a danger to themselves. We must not look at the situation just through the prism of our secure accommodation. The fundamental basis of our children's hearings system is to deal with children and young people on the basis of need.

I will add another point. The numbers in secure accommodation might well be reducing, and it would help to have an analysis of the reasons for that, so that we understand the situation better. As the Audit Scotland report suggests, we should look at and analyse patterns before we make decisions on the type of care, regardless of whether it is secure accommodation or any other care that we develop and commission. Secure accommodation is part of the range of residential accommodation that the report covers.

Can I add another point as well?

The Deputy Convener: Quickly, please.

Tam Baillie: How we deal with our children—who include 16 and 17-year-olds—who are young offenders really needs to be considered. Concern is felt about how we deal with our 16 and 17-year-olds who find themselves in custody. I add that for good measure, as we are talking about secure accommodation.

The Deputy Convener: The session has been long, but I am sure that committee members found it extremely helpful for understanding the issues. I thank all the witnesses for giving up their time to come along and answer our questions.

11:52

Meeting suspended.

11:57

On resuming—

“National concessionary travel”

The Convener (Hugh Henry): Item 5 is a section 23 report entitled “National concessionary travel”, on which I invite the Auditor General to brief the committee.

Mr Black: Barbara Hurst will introduce the report.

Barbara Hurst (Audit Scotland): That was a rather hard evidence act to follow, but I will do my best. I hope that Mr Hepburn has seen in his first Public Audit Committee meeting that audit is actually quite interesting.

Jamie Hepburn: And substantial.

Barbara Hurst: The report was published in early October. The national concessionary travel scheme was introduced in April 2006 with all-party support. It provides free bus travel to everyone who is over 60 and to people with some disabilities. The audit examined the scheme's development and management and its impact and cost.

The national scheme was developed from previous concessionary travel schemes that councils had operated in one form or another since the late 1960s. In April 2004, the Scottish Executive announced its plan to standardise concessionary travel by introducing a centrally administered scheme that would provide free local and national bus travel at peak and off-peak times to everyone who is over 60 and to people with some disabilities.

To help its consideration of the scheme, Parliament was provided with information on the likely reimbursement cost that would be paid to bus companies in the first two years of the scheme's operation. That cost subsequently amounted to £159 million in 2006-07 and £163 million in 2007-08. However, information on the administrative costs and the costs of introducing the supporting technology—particularly the electronic ticket machines on the buses—was not available, and the scheme's likely long-term costs were not projected.

When the scheme started, basic management information was in place to allow the scheme to get up and running, but robust systems were not in place to validate bus company claims and the supporting ticket machines were not installed. The machines are important because they help to avoid error and fraud. They scan each bus pass, record details of the journey and send the information to Transport Scotland to be used in calculating reimbursement. We found that

implementation of the machines is still not complete.

It is fair to say that no system is completely error and fraud proof. Even with the ticket machines, some risk remains of the issuing of tickets for destinations that are further than passengers are travelling and of the false use of bus passes.

12:00

The full implementation of the technology is expected to take four and a half years longer than originally planned and likely to cost more than four times the original budget—£42 million as compared with the original budget of £9 million, with additional running costs of around £3 million a year.

I have a sense of déjà vu because of your earlier discussion on the SPSC about ICT but, in this case, the considerable delays in introducing the technology were due to a number of factors, including the fact that the technology had never been used before and is still evolving; weak contracting arrangements, which we outline in the report; and Transport Scotland's lack of staff with the necessary skills. That left the scheme potentially more vulnerable to error and fraud at its introduction but, within 18 months, Transport Scotland had strengthened the governance arrangements and put in place more robust systems for checking and validating bus company claims. It is not known how much money has been claimed fraudulently or in error, although Transport Scotland is now developing a model to quantify the value of inaccurate claims.

On the impact of the scheme, we all know that it is widely used—over a million travel passes are in circulation and around 80 per cent of people aged over 60 have a pass. Eligibility is standardised and it offers increased access to free bus travel for older people and for some people with disabilities. However, research that was commissioned by Transport Scotland found that the scheme has had limited impact on improving social inclusion and health or promoting a shift from car to bus. The Scottish Government's review in 2009 said that there was insufficient evidence that the scheme is achieving more than the previous local schemes. In relation to its success in benefiting specific sections of the community, there is some unexplained variation in the take-up of disabled concessionary travel passes across council areas and there are some people who, although eligible for the scheme, cannot benefit from it because they cannot physically access a bus or there is no bus in their area.

Costs in real terms have increased from almost £173 million in 2006-07 to just over £199 million in 2009-10 and are expected to continue to increase,

although it is not possible to predict exactly what future costs will be. However, we tried to project some of those costs, as exhibit 7 on page 17 of the report indicates. The projections that we used are based on the estimated growth in the 60-plus population, different assumptions about fare increases and an assumption that current use will remain constant. They show that the uncapped costs of the scheme could reach between £216 million and £537 million a year by 2025. The independent budget review did a similar projection and came up with slightly higher costs than ours, which shows how difficult it is to project in this area.

The cost of concessionary bus travel has increased at a faster rate than the number of concessionary bus journeys recorded. The reasons are not understood fully but are likely to include increases in bus fares, a more generous reimbursement rate paid to bus companies than under previous schemes and the inclusion of longer-distance national travel. Following an independent review, the Government has reduced the reimbursement rate from 73.6 to 67 per cent of the adult single fare with effect from April this year. However, the bus industry does not believe that the reduced rate adequately covers the costs of carrying concessionary passengers and believes that some routes or services might have to be cut as a result. We are already beginning to see some routes being cut, but we cannot say that it is necessarily attributable to the concessionary travel scheme. When we were doing the report, it was too early for us to assess what the impact of that reduction will be.

Overall, the report highlights a number of issues that are not necessarily unique to the scheme and which we have seen before in different schemes. They include the adequacy of the financial forecasting; the use of consultants in implementation; and increases in time and cost budgets for major information technology projects of the type used here. As ever, we are happy to answer the committee's questions.

The Convener: Thank you. It is fair to say that the national concessionary travel scheme is popular but expensive, so it is right to ask whether we are achieving value for money spent. I will ask three questions about what you touched on. You mentioned a take-up rate of around 80 per cent. Do we know who the 20 per cent are?

Barbara Hurst: I do not think that we do, no.

Graeme Greenhill (Audit Scotland): No.

The Convener: We do not know whether it is made up of people from lower socioeconomic groups, or people who have disabilities. We have no idea who they are.

Graeme Greenhill: The evaluation that Transport Scotland carried out in 2009 concluded that take-up and usage are higher among those in less well-off areas but that the rate of take-up since the scheme's introduction has been higher among the more affluent and those in employment.

The Convener: That is useful to know.

Are there any costings for how much we are spending on some of the longer, national routes? For example, in Renfrewshire during the summer months, buses run to various points in Argyll and the Trossachs, and there is also the Glasgow to Edinburgh route. Do we know how much the longer and more popular tourist-type services cost?

Graeme Greenhill: We do not have that information. Could we get it from Transport Scotland?

Sally Thompson (Audit Scotland): Transport Scotland's information would provide us with the amount that each bus company is paid. For example, we could find out how much Scottish Citylink is reimbursed for its services. The reimbursement is standard proportion of the adult single fare so, if that is £10, it costs an awful lot more to the public purse than if it is £1.

The Convener: It would be interesting to know whether more people are travelling free on those expensive routes. I do not know whether £10 is the cost of a return fare between Glasgow and Edinburgh, but the nominal cost of a trip to Argyll is somewhere between £12 and £15. That type of trip could eat up a substantial part of the budget, and it would be useful to know whether the number of such trips is disproportionately high compared with the relatively short routes that people need to travel for whatever reason.

You mentioned ticketing. I have written to ministers about people in Paisley, for example, taking a relatively short journey but being issued with a ticket for Glasgow. Does that result in a higher return to the bus company?

Barbara Hurst: Yes, it does, if there is a differential pricing structure, because the bus company is reimbursed with a percentage of the ticket price.

The Convener: There seems to be a significant amount of concern in my area, and probably in other members' areas, that the tickets showed an overestimation of the journey that was travelled. People are worried that that would result in higher payments than would be legitimate.

Graeme Greenhill: As Barbara Hurst said earlier, no scheme is foolproof. The electronic ticketing machine system still requires some manual intervention. When a person gets on the

bus, they put their concessionary card on the reader, but they still rely on the bus driver to ask the person how far they are going to travel and to press the correct button. There is anecdotal evidence that that does not happen every time, for whatever reason.

George Foulkes: I had better declare my interest, and I am not disabled.

The report states:

"recent research shows that NCT has had only limited impact on improving social inclusion, improving health or promoting a shift from car to bus."

Was that research carried out by Transport Scotland?

Barbara Hurst: By the Scottish Government, yes.

George Foulkes: Who did it for the Scottish Government?

Barbara Hurst: Do we know who did it?

Sally Thompson: Halcrow.

George Foulkes: Who is Halcrow?

Graeme Greenhill: I think that it is a general transport consultant.

George Foulkes: On what basis did it produce the report? It reached a definitive and, I think, totally contestable conclusion, given my experience and the experience of Age Scotland and many other organisations, which have evidence to show that more and more people are getting out of their houses and we are having to spend less on social care, home helps and everything else because people are getting out and about. Who carried out the research? Halcrow is a transport consultant; it knows nothing about social care, does it?

Sally Thompson: The methodology that Halcrow used was to take information from the Scottish household surveys, which includes travel diaries. It compared bus use before and after the scheme was introduced. It ran quite a lot of focus groups and carried out quite a lot of surveys of users and non-users to see the differences in their use of the scheme in order to form judgments.

George Foulkes: I would like to see some of that evidence if possible, because the conclusions go against all the information that I have. I used to be director of Age Concern Scotland and we campaigned for a long time to get a national bus scheme on the basis that it allows people who would otherwise be housebound to get out and about.

I would contest another point. You said that the routes are being cut as a result of the scheme. The opposite is the case. Routes are now viable

because people who get concessionary bus travel are using them—the companies get money in from the local authorities. If routes relied on fare-paying passengers, they would be cut, because they would not be viable. I find all this really disappointing.

Mr Black: It might be helpful to bear in mind that what the evaluation was doing—I am sure that the team will correct me if I am wrong—was considering the added benefit that came from the national scheme compared with the schemes that were operated by local authorities beforehand. As our report summarises, some people who were eligible under the local schemes are no longer eligible now, so it is a mixed picture. It seems to me that a key question is what extra benefit in terms of quality of life has been introduced by the scheme.

George Foulkes: I would like to know a bit more about the survey. One of the good things that the Scottish National Party Government has done—I will praise it for a change—is that Stewart Stevenson has said under pressure that he will maintain the scheme, not reduce it, and keep the criteria as they are at present. In the Audit Scotland report, you have almost a manifesto for cutting the scheme and reducing it. This is the first time that I have found an Audit Scotland report deeply disappointing.

Mr Black: I will respond to that very strongly. Under no circumstances whatever will I or anyone in Audit Scotland advocate a policy in this Parliament. The moment we do that, our credibility is undermined. There will be occasions when the findings of our reports might not entirely accord with the personal policy preferences of parties or members of the committee, and I fully respect that, but the evidence will have been prepared robustly. We cannot authorise or validate the Transport Scotland-Halcrow report, but it seems reasonable to refer to it in our report to you.

The Convener: It would be helpful if you could provide whatever information you have available.

Jamie Hepburn: I thank Ms Hurst for her evidence and for kindly welcoming me to the committee. I am finding this very interesting although, like George Foulkes, I find the report disappointing. That is not because I think that it is evangelical in any sense but because some of the findings are a little worrying. I want to explore paragraphs 24 to 31 in the report.

Paragraph 27 describes how the bus companies have been permitted to calculate their claims for reimbursement under the scheme. I see that two approaches were survey based and one was more accurate, in the sense that it is based on ticket sales—notwithstanding the concerns that we have already explored about the accuracy of that. I find

it very interesting that, given that that option was available, it was not insisted on across the board. I know that this is a policy question to some extent, but should the ETM installation have been a prerequisite to taking part in the scheme in the first place? Would it have been a more robust system in Audit Scotland's opinion?

12:15

Barbara Hurst: It certainly would in the sense that ETM technology would have provided more reliable information to Transport Scotland but, as we show in the report, it has taken a long time to get the ETM system up and running and, in its absence, different systems were put in place. It is clear that some of them look less than robust, particularly if a bus company can choose the routes that it surveys.

Jamie Hepburn: You say that ETM technology has taken time to set up, but the report states that some bus companies

“had ETMs installed or its own ticketing equipment allowed it to determine the number of concessionary travellers for each fare stage.”

The bus companies are making money out of concessionary travel—they are being paid a public subsidy. If they wanted to take part, could they not have got on with it? Some companies were able to use the technology; why could they not all do that?

Graeme Greenhill: As the report says, it has taken time to roll out the technology. A decision was taken to introduce the scheme in 2006. If bus companies had been able to enter that scheme only if they had the technology in place, large parts of the country might not have been able to participate.

Jamie Hepburn: Arguably, would the companies not have had an incentive to get a move on if they wanted to take part in the scheme?

I will take that lack of response as a maybe.

I am concerned by something else. I see that there is a range of ETM equipment. That is not a concern per se, but it is up to the bus companies to decide which ETM supplier to use. Is there a range in cost of the machines, or is it a standard cost?

Graeme Greenhill: There is a range of costs. It depends on how much additional technology the bus company wants to install. Transport Scotland meets the cost of the basic machinery, but the additional cost—

Jamie Hepburn: I suppose that my question should have been whether the cost to Transport Scotland is standard?

Graeme Greenhill: Yes.

Jamie Hepburn: That alleviates my concerns a little. Do you believe that the complete roll-out of the ETMs will affect the global cost of the scheme in either direction? Will it increase or reduce the cost?

Barbara Hurst: I think that the roll-out is almost complete, so I think that the costs that we cited will be in place. There will be additional running costs, but it is unlikely that there will be a significant extra cost now.

Jamie Hepburn: Sorry—I meant the cost of claims for journeys.

Graeme Greenhill: I think that it would be very difficult to say that with any certainty. Now that ETMs are in place, we would expect the scope and potential for fraud and error to be reduced, but it is difficult to say whether that will be overtaken by the increase in the number of older people who qualify for bus passes.

Jamie Hepburn: Maybe not cost in terms of numbers of journeys or where the journeys are.

Graeme Greenhill: I think that the same answer applies.

Jamie Hepburn: I presume that cost is something that Audit Scotland will keep an eye on and report back on in future.

I will move on to the issue of fraudulent claims. Paragraph 31 of the report states:

“Transport Scotland pursues instances of suspected fraud and, in 2009/10, claims of four bus companies were under investigation”.

What was the total value of what was being fraudulently claimed—or suspected of being fraudulently claimed?

Sally Thompson: We have that information. I am trying to find the piece of paper.

Jamie Hepburn: I could maybe ask another question while you look for that. The report also states that two companies were charged. Can I ask what that means? By whom were they charged—Transport Scotland? I see that Transport Scotland also has powers to report directly to the Crown Office and Procurator Fiscal Service. Have the companies been charged by the procurator fiscal?

Barbara Hurst: Yes, under the formal fraud system.

Jamie Hepburn: It is reassuring that the sanction that exists has actually been used.

Sally Thompson: Could I provide the information that you asked for in private? I ask that only because some of the information that we were given concerned on-going fraud cases and was not for wider consumption.

Jamie Hepburn: I presume that that would be okay.

It is right to say that no system is foolproof, and that applies to the ETM system as well. How significant are the concerns that fraudulent activity will continue? How will the situation be monitored? Will claims be monitored in the same way as they are at the moment? Is that robust enough?

Barbara Hurst: Once the electronic ticket machine is in place, some of the risk is removed, as the claims go straight to Transport Scotland. There will still be a risk around the issue of tickets being issued for a distance that is further than the distance that is travelled, but if people notice that and report instances to Transport Scotland, Transport Scotland can look for a pattern and conduct an investigation. Transport Scotland does not rely only on the ticketing machines; it is doing other work alongside that and has improved its fraud management system significantly.

Jamie Hepburn: It will always rely on intelligence that is gathered on the ground, as it were.

How many fraud investigations have arisen from circumstances in which there has been a pattern of people buying tickets and saying, “Hang on, this isn’t what I asked for?”

Graeme Greenhill: We do not have that information. Transport Scotland might be better placed to provide it.

Willie Coffey: Many constituents have shown me tickets for destinations that are far beyond the stop that they wanted to get off the bus at. Nothing in the Auditor General’s report gives me any comfort that this new IT system, which was initially set to cost £9 million and now costs £42 million and is four years late, is going to do anything to sort that. It is extremely concerning for the Auditor General to report that there is a major risk of money being fraudulently claimed and that we do not know the extent of that. That is the most serious message in the report.

This is almost like a rerun of the discussion that we had under the previous agenda item, about the importance of defining these types of projects at an early stage, and the problems that arise when that is not done. That is particularly important in projects that have a high reliance on IT and other support services. If we are going to spend £42 million on a ticketing system, we have to ensure, fundamentally, that the tickets reflect the journey that was made by the customer. It is ridiculous that we are in a situation in which that problem has been embedded for such a long time.

I look to the Auditor General and his staff to suggest ways in which we can make progress on this issue. Should we bring someone in to talk to

us about the IT system that is about to be unleashed on us?

The Convener: We can discuss that later on, when we discuss how we want to take things forward.

Barbara Hurst: The machines are important. However, Transport Scotland is doing other work, which means that it does not rely only on those machines. Transport Scotland is much more rigorous about the investigation of these matters than it was a few years ago. Exhibit 4 on page 11 of the report shows you the sort of things that it has put in place.

Willie Coffey: There is nothing rigorous about having a reporting system that relies on wee pensioners coming into my office to tell me that they think that they have been overcharged. The fact that a system that is costing us £42 million cannot spot that sort of problem is a serious matter. Some of the £42 million should be invested in monitoring that problem. I hope that we can pursue that, convener.

The Convener: I have had exactly the same experience with my constituents as Willie Coffey has had with his. The interesting thing is that many of the users value the system, know that it is expensive and do not want it to be withdrawn. We need to come back to this issue, and we will do so.

Anne McLaughlin: I agree that a range of fraud management systems needs to be in place. Senior citizens do not like being diddled out of money—even when, as in this case, they are not the ones who are handing over the extra money personally. If it does not do so already, Transport Scotland could print a freephone number on the card with a message that says, “If you experience overcharging, phone us.” The senior citizens would definitely do so. I agree with Willie Coffey that it is important that we have the technology to monitor that situation.

Jamie Hepburn has, again, covered most of what I wanted to say—I will have to get in ahead of him in future—but I want to talk a bit more about the ETM technology. I was astonished to read that, a year after the budget for the technology was set at £9 million, it was discovered that that was an unrealistic figure because it was not enough to buy an ETM for every bus in Scotland or cover the back-up costs, and that, in August 2010, Transport Scotland said that the cost would be £42 million. However, what really surprised me was that, according to the report,

“it is not clear how”

the original budget

“was calculated or what cost factors were included”.

Is it acceptable for a department to simply pluck a figure out of the air, give no explanation of how it arrived at it and submit it as the budget?

Barbara Hurst: When we asked for some of the back-up information, it was not available. It had been lost in transit, as it were, between the central department and Transport Scotland when the responsibility for the scheme was transferred to Transport Scotland. We were unable to consider any audit evidence that would enable us to examine how the early work was done.

Graeme Greenhill: The information was simply not available because of staff turnover and other reasons that we could not identify.

Anne McLaughlin: George Foulkes talked about the research that was done. I, too, was taken aback to read that

“recent research shows that NCT has had only limited impact on improving social inclusion, improving health or promoting a shift from car to bus.”

I do not believe that, and I would like to see that research. I suspect that what it shows is that the fact that the scheme is national is not making a huge difference from having regional schemes. I do not think that it will show that concessionary bus travel has no impact. I really cannot believe that. I would be interested to find out the reasons for that conclusion being drawn.

First is running a pilot scheme to give half-price bus fares to job seekers in a specific area of Glasgow. If that works, the scheme will be rolled out across Glasgow and, hopefully, beyond. I want such concessionary travel schemes to have an impact on social inclusion, so I would be interested to see the research that the report refers to. Is there an indication of whether the research is saying that it is the changeover that is making little difference or concessionary travel itself?

Barbara Hurst: To a degree, it depends on the question that was asked at the beginning of the research. The question, “Does this scheme make much of a difference when compared with the previous schemes?” is different from the question, “Does concessionary travel make a difference to you?”

I am beginning to regret our decision not to conduct our own survey. Often, we survey users in situations such as this one, but we knew that relevant research was just sitting there. Perhaps we should have conducted our own survey, as that would have been an interesting additional piece of research. I am sorry that we did not do that, but we can make the details of the research that we used available to the committee.

Anne McLaughlin: That would be helpful.

The Convener: This situation raises a question about whether those in Transport Scotland who commissioned the research were robust enough in ensuring that the right questions were being asked. I have no doubt that the research was expensive. It makes you wonder about money being dished out for surveys without any proper thought being given to what questions are being asked, what information is being sought and what the value of it is. I suspect that, when the committee considers this matter in private, we will decide to question Transport Scotland. It will not be the first time that we will have done so in relation to worries about finance.

I thank our witnesses for attending.

Item 6, to which we now come, is in private.

12:30

Meeting continued in private until 12:41.

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