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Dear Ms Scharbert

AUDITOR GENERAL FOR SCOTLAND: SCOTTISH FIRE AND RESCUE SERVICE: AN UPDATE

Further to your letter of 21 June 2018 requesting information in relation to the Auditor General's evidence session on 14 June, we can provide the following clarifications.

Question: "An indication of how much of the backlog is legacy and how much has arisen since 2013".

The Scottish Fire and Rescue Service (SFRS) inherited - from the eight former legacy services - backlog investment in capital assets, which was valued in the SFRS Long Term Financial Strategy (LTFS) in December 2017 at over £389million.

The Scottish Fire and Rescue Service does not, however, have a backlog in the regular maintenance of its assets. All assets in operational use are fully maintained/inspected, ensuring safe service delivery, and the safety of firefighters and communities.

The figure in the LTFS and, subsequently, the Auditor General's report relates to asset investment required to ensure non-property assets are within their 'useful lives' as defined within accounting standards and that property assets are suitable for purpose and in at least a 'satisfactory' condition, as per the industry-standard definition.

This definition is comprised of the following:

Category	£m
Property	280.00
Fleet	77.00
ICT	0.75
Operational Equipment	31.50
TOTAL	389.25

Following the recent change in the VAT status of the Scottish Fire and Rescue Service (SFRS), the total value of backlog investment will reduce by around £65million from these figures. For consistency and comparison, all figures quoted within this correspondence will include VAT.

At its formation, SFRS was provided with limited information on asset condition and suitability inherited from the eight former legacy services. SFRS moved quickly to undertake work to ascertain an accurate position – ensuring it could prioritise capital investment in safety-critical infrastructure and equipment.

To give a sense of the challenges faced with the assets inherited from legacy services, this work revealed two emergency vehicles that were immediately condemned for safety reasons and a further 129 vehicles were assessed as requiring emergency repairs simply to bring them to a roadworthy standard. In terms of property, 29% of fire stations were in a poor or bad condition and 39% were similarly rated for suitability.

Up to the 2017/18 financial year, SFRS has – with the support of Scottish Government - invested over £135million improving its asset base. A further £33million of spend is scheduled for 2018/19. These investments are at a level beyond that seen in the majority of legacy services.

These investments prioritised:

- **Maintain and enhance community and firefighter safety**
- **Establish and maintain the infrastructure of the Scottish Fire and Rescue Service**
- **Implement approved strategies such as digital strategy**

Examples of investment include:

Through the Strategic Intent Programme, £13.9million has been invested to create a fit for purpose modern infrastructure for a national service, enabling the disposal of various legacy properties, eg former service headquarters, which to date has realised £21.8million in capital receipts for re-investment and eradicated £20.8million in backlog investment.

Over £2.5million in a new Operations Control serving the North of Scotland while a near £3million investment recently transformed the Western Isles District Office and Stornoway Community Fire Station.

Ensuring firefighter safety, over £4million has been invested in the latest firefighting and wet weather Personal Protective Equipment.

A total of 2,200 new Breathing Apparatus sets have also gone operational across the country thanks to a £5.2million investment – representing one of the biggest investments for the SFRS. The organisation also unveiled six new Aerial Ladder Platforms and a Turntable Ladder – worth around £4.1 million.

Providing more equitable access to specialist resources across Scotland, SFRS also invested in 14 new water rescue vehicles totalling around £1.3million to support communities.

Over the past two years alone, £36million has been invested in the fleet, reducing the backlog position from £77million to £52million. This includes over 30 brand new, purpose-built fire appliances, alone representing a combined c.£8million investment in the safety of the country's most rural communities, as well as 32 new 18-tonne appliances, which will come into operation later this year.

There is now robust evidence that this investment programme is both modernising and improving the effectiveness of our asset base, further improving the inherited backlog.

Question: “The breakdown to be categorised in terms of what is critical; only desirable etc.”

As stated earlier in this response, SFRS does not have a backlog in the regular maintenance of its assets. All assets in operational use are fully maintained/inspected. The definitions below are, therefore, in relation to how we prioritise spend to reduce the backlog in asset investment.

Critical

Firefighter and community safety investment:

- e.g. fleet, protective equipment, firefighting equipment, training capability.

Operational ICT infrastructure:

- e.g. command and control mobilising system, operational intelligence tablets.

Desirable

An increased pace of repair and upgrade to improve viability of assets – particularly buildings:

- e.g. cost of remedial repairs grows as assets age.

Technology to support organisational efficiency:

- e.g. back office ICT infrastructure.

Dignity and equality:

- e.g. appropriate station facilities for mixed staff groups.

Where additional capital funds have become available during the financial year, SFRS has invested these for increased public benefit. For example, in 2016/17 an additional £2million was made available, enabling the development of live fire training facilities in the Orkney Islands and the renewal of existing facilities in the Shetland Islands.

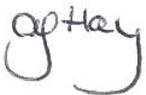
To further reduce demands on the public purse for capital investment, SFRS has been working with partner organisations, most notably the Scottish Ambulance Service (SAS), to facilitate shared use of assets. Our current project to refurbish the fire station at McDonald Road in Edinburgh will not only address backlog investment of £8.5million but will also support an ambulance response unit.

As we look forward, SFRS is further maturing its governance arrangements around our assets, strengthening the interface between those who provide and maintain assets and those who use them to deliver our services through our Asset Management Liaison Board; and also formalising our Asset Management Strategy, ensuring we achieve best value for taxpayers' investment.

I trust this gives you reassurance that SFRS continues to take a robust and effective approach to asset management. While significant Scottish Government funding support has allowed us to begin to reduce the inherited backlog, additional future funding would always be welcome to allow us to accelerate this progress - while always prioritising investments that will enhance firefighter and community safety.

If I can be of any further assistance please let me know.

Yours sincerely



A G Hay CBE QFSM
Chief Officer