

Highland and Islands Fire Board Estate Condition Working Group

Minutes of Meeting of the Estate Condition Working Group held in Council Headquarters, Glenurquhart Road, Inverness on Thursday, 13 March 2008 at 2.50 p.m.

Present:

Representing the Highland Council Mr R Durham
Mrs M E Paterson

Representing Comhairle nan Eilean Siar Mr N M Macleod (Substituting)

Representing Orkney Islands Council Mr A Drever

Representing Shetland Islands Council Mr A Duncan

Officials in attendance:

Mr B Murray, Chief Fire Officer
Mr A MacAllister, Head of Corporate Services, HIFRS
Mr J Kelman, Project Manager, Housing and Property Services,
Highland Council
Mrs R Moir, Assistant Clerk
Mrs C Nicoll, Clerk's Office

Mr R Durham in the Chair

1. Apologies for Absence

Apologies for absence had been received on behalf of Mr D C M Flear of The Highland Council.

2. Estate Management

At its meeting on 18 January 2008, the Fire Board had agreed to establish a short-life Estate Condition Working Group, whose remit would be to review the state of the Board's building stock and estate management and report back to the Finance and Policy Working Group, and in doing so to include the following:

- review the existing information and data contained in the asset registers
- review the existing approach to building procurement
- review the existing approach to building maintenance
- review the existing approach to estate management services
- consider alternative methods of increasing the capital funding available to the Board

In this connection, there had been circulated Report No. ECWG1/08 dated 5 March 2008 by the Head of Corporate Services, Highlands and Islands Fire and Rescue Service (HIFRS), providing an overview of the estate management within the Fire Service in the context of other capital challenges faced by the Board.

In speaking to the report, the Head of Corporate Services explained that the present HIFRS estate comprised 1 wholetime station, 95 retained stations, 31 Community Response Units (CRUs), 13 District Offices, vehicle workshops, Control Room and training facilities, and the Headquarters building in Inverness. A survey of the estate had identified 45 retained stations as failing to provide the Board's desired level of accommodation and the minimum standards required to meet equality and diversity legislation. The survey had also highlighted that the Headquarters building had also failed to meet required standards.

Since this survey had been undertaken, three stations had been upgraded, leaving 42 requiring urgent attention. Improved training facilities were also required for Hot Fire Training. There were presently two such facilities at Invergordon and Fort William. However, the location of these facilities had created difficulties in ensuring that employees throughout the area had access to the appropriate training and there was an urgent need to provide accessible training facilities for personnel in Orkney, Shetland and the Western Isles.

In recent years, Service funding had consisted of an annual Capital Grant from the Scottish Government and, if successful, Top-Slice funding. During the years 2004/05 to 2007/08 the total of grant funding received, including Top-Slice funding, had been £12.539M compared with an actual spend for the same period of £15.098M. Expenditure required in excess of Government funding had been financed mainly from capital receipts and transfers from the Revenue account. However, there were always new challenges to be met year on year and additional sources of funding would require to be identified.

The Chief Fire Officer explained the formula used by the Government in the awarding of capital grant and Top-Slice funding and reported that an announcement confirming the 2008/09 levels of funding was expected in the near future. He explained the difficulties in addressing all of the Service requirements in short term programmes and advised that a more long-term programme would allow improved consideration and prioritisation of Service issues. There had been positive indications received from the Government that they would be willing to consider investigating the possibility of longer term funding programmes, particularly in relation to training; however, this could disrupt the normal formula-based capital funding. This might cause severe short-term difficulties, although the adoption of a similar approach to station builds across Scotland would prove very helpful.

The Head of Corporate Services outlined potential methods of funding which could be available to the Service, including:

- Prudential borrowing – introduced in April 2004, this allowed authorities to borrow so long as repayments could be met from the revenue budget. Whilst this would allow more flexibility, it was dependent on sufficient revenue budget streams being made available, as this ultimately determined whether or not prudential borrowing was affordable.

- Transfer from Revenue – this had been used by the Service in the past where revenue efficiencies could be utilised to fund capital expenditure.
- Public Private Partnership (PPP) – an outline business case had been prepared and submitted to the Scottish Executive in 2003. However, the Scottish Government had indicated that there were no plans at present to progress PPP.
- Partnership working – partnership projects in Great Bernera and Uig had provided excellent value for money. The Service was keen to explore further partnership arrangements where possible.

Members were advised of the current arrangements for the delivery of estate management within the Service and were reminded of the service restructure approved by the Board at its meeting in May 2007, which had included the provision of a Property and Asset Manager. This post had yet to be progressed.

In conclusion, the Head of Corporate Services outlined measures which the Board could consider in seeking to secure the required additional funding:

- maximise Government grant opportunities and work in partnership with the Scottish Government
- consider other external partnership opportunities where appropriate
- the use of revenue contributions for capital expenditure
- the speedy release of surplus assets
- consideration of the use of Prudential borrowing
- the development of capital plans focused on agreed priorities
- consideration of 'Invest to Save' schemes where considered appropriate
- engagement with partners in joint build initiatives
- the transference of service delivery and risk where appropriate
- the use of the voluntary sector where appropriate
- implementation of Value for Money Engineering Exercises
- consideration of the use of existing community assets where appropriate.

Optimisation of the opportunities available would benefit from close working with the Constituent Authorities and effective engagement with local communities.

In the course of discussion, Members were appreciative of the difficulties faced by HIFRS in their campaign to upgrade all facilities to an acceptable standard and the urgent need to find alternative funding to meet the shortfall of monies required to provide an efficient, sustainable and acceptable Service. The Project Manager confirmed that, although the asset register was not fully up to date, information on the condition of each of the facilities was held on record. Members were reminded that, alongside this information, prioritisation of the Board's capital programme required to be done within the context of the Integrated Risk Management Planning process.

In reply to a query raised as to whether the condition of the current facilities was any better or worse than facilities in other areas, the Chief Fire Officer advised that many of our stations were significantly poorer than those elsewhere. He suggested that Members might wish to consider visiting facilities provided by other Fire Service authorities as a means of providing a benchmark against which a comparison could be made. Members were reminded of the new facilities at Lerwick and Fort William as examples of what could be achieved, particularly in terms of sustainability and

best value, and agreed that visiting other Fire Service facilities would not only provide a useful baseline for comparison but also a picture of the challenges faced by other Authorities in relation to capital investment, asset management and training.

It was acknowledged that there were many important issues to be addressed by the Board, including the provision of adequate resources in relation to estate management and procurement, and the Convener suggested that a procurement exercise or scoping study could be undertaken which would link into the terms of the Board's Capital and Asset Management Strategy and which would provide a clear and concise picture of the challenges to be overcome. Carrying out the scoping study, which should take into account the in-house resources available within all the Constituent Authorities in addition to the unfilled Service post of Property and Asset Manager, might require the purchase of additional external expertise.

The Convener also suggested that further information be provided on the affordability of Prudential Borrowing, which would better inform Members on the feasibility of this mechanism. Following on from the success of the joint build partnerships at Uig and Great Bernera, he was also keen that the Board explore further potential partnerships where appropriate. He emphasised that it was important for the Board not only to take a proactive role in addressing the issues highlighted, but equally for it to be able to demonstrate best value in its efforts.

Members were reminded that the Board had agreed that discussions from this meeting would be reported to the Finance and Policy Working Group and it was **AGREED**:

- (a) to recommend to the Board that arrangements be made for Members of this Working Group to visit facilities in two other Scottish Fire and Rescue Service areas;
- (b) that a briefing report be submitted to a future meeting of the Finance and Policy Working Group providing (i) an outline of the current position with regard to the HIFRS estate and the need for further funding to meet capital investment and training demands; (ii) a summary of the funding mechanisms available for consideration by the Board, including further details on prudential borrowing; and (iii) suggestions of how the Board might move forward with maintenance, procurement and partnership working; and
- (c) that a further meeting of this Working Group be arranged to discuss the outcome of the Member visit to other facilities and to consider the terms of the draft report outlined above.

The meeting ended at 4.05 p.m.