The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

JUSTICE COMMITTEE

Tuesday 1 December 2015

Session 4

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JUSTICE COMMITTEE
34th Meeting 2015, Session 4

CONVENER

*Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP)

DEPUTY CONVENER

*Elaine Murray (Dumfriesshire) (Lab)

COMMITTEE MEMBERS

*Christian Allard (North East Scotland) (SNP)
*Roderick Campbell (North East Fife) (SNP)
*John Finnie (Highlands and Islands) (Ind)
*Margaret McDougall (West Scotland) (Lab)
*Alison McInnes (North East Scotland) (LD)
*Margaret Mitchell (Central Scotland) (Con)
*Gil Paterson (Clydebank and Milngavie) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Catherine Dyer (Crown Office and Procurator Fiscal Service)
Andrew Flanagan (Scottish Police Authority)
John Foley (Scottish Police Authority)
Alasdair Hay (Scottish Fire and Rescue Service)
Janet Murray (Police Scotland)
Sarah O'Donnell (Scottish Fire and Rescue Service)
Deputy Chief Constable Neil Richardson (Police Scotland)
Pat Watters (Scottish Fire and Rescue Service Board)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Justice Committee

Tuesday 1 December 2015

[The Convener opened the meeting at 09:45]

Decision on Taking Business in Private

The Convener (Christine Grahame): I welcome everyone to the Justice Committee's 34th meeting in 2015, and I ask everyone to switch off their mobile phones and other electronic devices. No apologies have been received today.

Our first agenda item is a decision on taking business in private. Do members agree to take in private agenda item 4, on our work programme?

Members *indicated agreement.*

Interception of Communications Commissioner's Office

09:45

The Convener: As members will be aware, the interception of communications commissioner released a statement last week confirming that Police Scotland did not seek the judicial approval that is required when applying for communications data in five cases relating to one investigation. The committee has had an interest in the issue since it first emerged that Police Scotland might have been one of the forces under investigation by the commissioner, and we agreed to return to the issue once the findings became available.

We have just agreed to consider our work programme in private later on in today's meeting, so I suggest that we could have a more detailed discussion then of witnesses and where we might fit any evidence sessions into the work programme, if we decide to take further action on the matter. We will have to move things around, but I am open to hearing members' general views.

Elaine Murray (Dumfriesshire) (Lab): Are the public allowed into the meeting at the moment? They seem to have been shifted outside.

The Convener: Yes, they are. We are not in private.

Alison McInnes (North East Scotland) (LD): I wrote to you last week, convener, after the information was published, to ask that the committee make it a matter of priority that we consider the issue further. The commissioner said that he had uncovered reckless behaviour. It is pretty outrageous that the police force has acted above the law. The protection of a free press is very important in a democracy, and journalists' sources are as important as the journalists themselves. There has been significant abuse in this case. I urge the committee to think carefully about inviting witnesses. In particular, I would want to hear from the cabinet secretary and from senior police officers.

The Convener: As you know, I responded to your letter and suggested that we also invite the Scottish Police Authority, Her Majesty's inspectorate of constabulary in Scotland and the Interception of Communications Commissioner's Office, to ensure that we get a rounded picture.

Alison McInnes: Yes. We need to be absolutely clear who knew what, when they knew it and what action was taken.

Margaret Mitchell (Central Scotland) (Con): I want to back up what Alison McInnes says. It is absolutely essential that we have some

transparency and accountability in the matter. We should call those witnesses. There should not be any problem with that, even if someone goes to tribunal, because sub judice rules do not seem to affect tribunals. I hope that when the meeting moves into private we will simply be confirming which witnesses we want to hear from.

The Convener: We will also have to move our agenda around for the coming weeks, given that we have certain statutory obligations.

Roderick Campbell (North East Fife) (SNP): It is important to note that although IOCCO said that there had been contraventions in respect of five applications, they related to one investigation. However, I agree that it is a matter of public importance and that the committee should carry out some investigative work on the issue. I agree with the convener that any panel of witnesses that we choose to call should be rounded and not just drawn from Police Scotland.

The Convener: We want to hear from the full cast.

Elaine Murray: I agree with other members that it is important that we do some work on the matter. I concur with your suggestion, convener, that the SPA should present evidence; we have had concerns in the past that the SPA has not been scrutinising Police Scotland appropriately, so it is important that we speak to it.

John Finnie (Highlands and Islands) (Ind): I agree with everything that my committee colleagues have said. There is an oversight role for the committee. As Elaine Murray says, people would anticipate that the SPA would have a similar role. I do not wish to discuss individuals, but I am not clear whether any criminality is associated with any of the actions and, if so, what the implications would be if we were to ask individuals who might be, in other circumstances, the accused.

The Convener: That is the issue that we must resolve in private: if things move in that direction, we could find ourselves prevented from doing things. If there were any hint of criminality in a fatal accident inquiry, it would come to a halt because of the possibility of prosecution and the fact that people would have a right to silence and so on. Those are important issues, but can we leave them for later?

John Finnie: I did not intend to say that I do not think that we should do something vigorously. Rather, I do not want to do anything that would intrude on another locus.

The Convener: That is my point. We really need to discuss the issue fully so that we look at all the other issues that are involved in it. We will do something; it is just a question of the remit that we can take on. Do we agree that we will discuss it further in private when we look at the work programme?

Members *indicated agreement.*

Draft Budget Scrutiny 2016-17

The Convener: Item 3 is an evidence session to inform our consideration of the draft budget, once it is published. We will hear from three panels of witnesses. Our first panel is on the police budget, the second is on the Scottish Fire and Rescue Service budget, and the third is on the Crown Office and Procurator Fiscal Service budget.

I ask the first panel to take their positions—that sounds like "Strictly Come Dancing". Now you know what I watch on the telly on a Saturday night. I suspend the meeting to let witnesses take their seats.

09:50

Meeting suspended.

09:51

On resuming—

The Convener: I welcome the first panel. We have from Police Scotland Detective Chief Constable Neil Richardson, who is the designated deputy for the chief constable, and Janet Murray, who is director of financial services; and from the Scottish Police Authority Andrew Flanagan, who is chair, and John Foley, who is chief executive. Thank you for your written submissions. We will go straight to questions.

Elaine Murray: The SPA is reporting a forecast budget deficit of £25.3 million at the end of this year. There seems to have been a failure to make the savings that were expected. Will you say a bit about why that has happened?

The Convener: If you indicate that you wish to speak, I will call you and your light will come on automatically when your microphone is on. Who from the SPA wants to take that question? It was a question for the SPA, was it not?

Elaine Murray: Yes, or for Police Scotland.

John Foley (Scottish Police Authority): At the last meeting of the authority, we forecast a deficit of £25 million. Since then, the authority and Police Scotland have engaged collectively, with a view to reducing that number in an attempt to get to a break-even position by the end of the year. Work is still on-going to identify such savings. We have identified some, but considerable work is still required because it is a challenging target.

Deputy Chief Constable Neil Richardson (Police Scotland): I agree that that undoubtedly is the position, as we stand today. I want to put a little bit of context around that. As John Foley said, we are doing a lot of work to try to reduce the deficit.

The fact that there is a gap is no surprise. We knew that, as we went through reform, it was going to become increasingly difficult. As we have become leaner and made changes we have delivered very considerable success over the first nearly three years of Police Scotland, but we knew that it was always going to become more challenging to find the savings while living up to the standards that we had set out and complying with the various commitments that we had made around outsourcing and so forth. Although there is a gap, it is a gap that we anticipated was likely, and it has come to pass.

Elaine Murray: As you say, you are trying to identify savings, but £25.3 million is a lot to find by the end of this financial year, particularly since 90 per cent of your costs relate to staff. Is it possible to do that?

Deputy Chief Constable Richardson: That is exactly the work that we have embarked upon. It is difficult, but set against the overall size of the budget, the overspend is in fact fairly small. We are in the process of looking at every area to see where we can make the necessary savings to bring us on budget.

My point is that, set against all the dynamic arrangements that have been at the heart of the reform, the overspend is not a surprise. There is not just the target that we have set to achieve, but the dynamic change that happens in the environment around us. We need to shift policing resources according to that changing world. In addition, as with any plan, things come to light during implementation that were not apparent at the outset. Those are fairly routine areas of change and we anticipated that we were likely to have an overspend from an early stage.

Elaine Murray: Is there a problem with the figure of 17,234 police officers, which was set by the former First Minister prior to Police Scotland coming into being? Is that limit constraining you?

Deputy Chief Constable Richardson: There are different views on that police officer number. I have spoken about the reform journey on a number of occasions, and I have been consistent in my view. Although it might be described as restrictive and as a difficulty for us, in fact, up to this point, it has been significantly helpful for two primary reasons. First, it has enabled us to keep a critical mass of police officers to ensure that service delivery is sustained; and secondly, it has meant that we have put our entire focus on what are arguably the more challenging areas of reform and the deliverables associated with reform rather than going straight to officer numbers.

There is an absolutely stark contrast with south of the border, where we have seen dramatic reductions in police officer numbers to meet fairly difficult financial requirements. Chief constables down south are now in regular meetings with the public to determine which services will be stopped; we are not in that position in Scotland, largely because we have had stability around that officer number, so I would not subscribe to the view that that has been, as you described it, a set of shackles.

The Convener: That was certainly not the view of the former chief constable who has just retired, Sir Stephen House. If I recall correctly, he said that the set figure made difficulties for him in that it was one part of the service that he could not touch whatsoever, so it did not give him the flexibility that he required. Do you disagree with his view?

Deputy Chief Constable Richardson: No. I am not suggesting for one second that it has been easy. It becomes harder and harder as we move forward. I have made that point already with regard to trying to find increasing savings with a limited playground in which to operate. However, on whether the set figure has been a problem, I am suggesting that it has been quite helpful over the initial stages of reform as it has ensured that the focus has been on the longer-term and more challenging areas.

Elaine Murray: However, you have lost a large number of civilian staff. That is where the cuts have fallen—on the civilian staff who support police officers.

Deputy Chief Constable Richardson: That is correct but again, that was always going to be so. In the transition from eight forces and a national organisation into one, there was always going to be a reduction and a consolidation of numbers.

The Convener: Alison, do you have a supplementary on this? Alison?

Alison McInnes: Yes, thank you—I thought that there was a further supplementary—

The Convener: It is good if you respond when I call your name, so I know that I am not dreaming.

Alison McInnes: Sorry, yes. This time last year, I asked the chief constable whether he would tell us if the budget cuts that were expected of him were too much. He said that he would tell us, but last year, he did not think that that was the case. Should he have been more open with us at that time? In addition, what are the implications of next year's budget for the forthcoming year?

Deputy Chief Constable Richardson: I do not want to comment on behalf of the previous chief constable. He had his own views on the matter.

The savings are challenging and have always been so. We have been clear and consistent about that simple fact. However, we have steadfastly said that we would try, as far as we possibly could, to make those savings. For the first two years, we have done exactly that. There has been substantial change. I have stressed the fact that we are still working on reducing that gap, and that is our ambition.

The point that I am trying to make is that much of the commentary has been around failure and around saying that this surely is a problem. I would look at it through a slightly different lens; I would say that it is a mark of success that we have managed to sustain numbers, with the commitments that we have made to communities across Scotland to ensure that, as far as possible, we do not compromise any particular geographical area in relation to job losses and all the various things that make up the policing service. To be in the position with still some months to run where we have a £25 million overspend against a £1 billion budget is quite a significant success story over three years.

That is not to suggest that everything in the garden is rosy—of course it is not. Significant challenges are still in front of us, but that represents a considerable successful delivery over a three-year period.

10:00

Alison McInnes: Forgive me, but I do not think that the staff in the control rooms would consider it to be a success story, given the pressures that they are facing. What I am getting at is that the committee is looking at whether next year's police service budget is sufficient for the police to carry out their job properly. We need honest answers about that; we do not need people saying, "We will do our very best to try to fit into that". There has to be a point when police officers tell us that they cannot do everything that they have been asked to do with that budget. Have you reached that point yet?

Deputy Chief Constable Richardson: The simple answer is no. We are in discussions. The comprehensive spending review is in train and we have provided a submission. Once we know what our budget looks like, I will be in a better position to answer your question. However, as we sit here, I take the view that we are still actively in discussion on that point.

The Convener: Alison McInnes is quite right. You are being understandably coy and careful about what you say, but the point of the committee is to ensure that we hold the Government to account so that Police Scotland does not have to make do and mend. We are doing our job, which

is scrutinising whether you have sufficient funding to do the job that we want you to do and that we know you want to do. I appreciate that there are some difficulties if you are still in negotiation. However, we need to be told some bad stuff—a little bit of that would help you.

I suspect that committee members will go through the same kind of things on cuts and budgets and so on, although I called the witnesses in to talk about civilian staffing. The issue is sort of about that, because it is all the same thing—cuts to the budget and whether Police Scotland will have sufficient resources.

Gil Paterson has raised his hand, and I have a list of people who will probably pursue the same theme. I see that he is not a happy bunny.

Gil Paterson (Clydebank and Milngavie) (SNP): No, I am not. There is an elephant in the room, which is VAT.

The Convener: Can we leave the elephant just now? You have got it on the record by sneaking it under the wire. Margaret Mitchell will ask the next question, followed by John Finnie, Roderick Campbell, Margaret McDougall and Gil Paterson, with his elephant in the room.

Margaret Mitchell: Good morning. In his written submission, Her Majesty's inspector of constabulary in Scotland says:

"I do not believe that the Scottish Police Authority and Police Scotland have a fully formed financial strategy in place."

He goes on to say that he accepts

"that there are many unknowns which can prevent such a strategy being completed, including the delay to the current Spending Review"—

as DCC Richardson mentioned—but that

"this does not prevent the majority of public sector organisations having at least a Medium Term Financial Plan in place."

Could you comment on that?

John Foley: I am aware of the inspector of constabulary's comments. We have in place a financial strategy that runs up to 31 March 2016—it was a three-year strategy. We are currently working on the next corporate and finance strategy. It will be in place by the end of March, so that one strategy runs into the next.

Margaret Mitchell: I would like to be reassured that in the interim, certain things that have been highlighted in the public domain have been taken into account: the overspend on the i6 project; the increase in costs that is associated with increased training resulting from various legislative changes through the Criminal Justice (Scotland) Bill; and, above all, the concerns that have been raised about possible developing threats that policing must consider—another issue that the inspector of constabulary has raised—in terms of future investment in relation to cybercrime and counterterrorism measures. Could you comment specifically on those? It is not good enough to come to the committee and say, "We have a three-year plan and we're looking at things." We need details.

John Foley: The financial and corporate strategy will, to a large extent, be a bottom-up strategy. We have been looking into the future to identify all the areas that you have mentioned—and others. We will build up from that to give us a comprehensive picture that clearly articulates what the corporate and finance strategy should be as we progress over the next three to five years.

Margaret Mitchell: That sounds like double Dutch to me. You have not given me one concrete example. I would appreciate some concrete examples of what is in those strategies and budgets.

John Foley: In relation to your specific comments, elements of the strategy will be to do with training, some of which will be associated with the changes to criminal justice and some of which will be associated with implementation of things like i6 and other projects that are on the go—there is a large number of them within Police Scotland. We will be taking account of the requirements to increase capability for dealing with cybercrime; that will involve investment in people and in technology. We will be looking across the piece at every aspect of policing to build up the strategies. For example, the finance strategy will be supported by strategies on the fleet, the estates, the workforce and information communications technology, among others. They will all come together to form one corporate strategy.

Margaret Mitchell: What conclusions have you come to? Do you have the resources to deal with the threats?

John Foley: The work is on-going. We are going through the process, so we do not have a final position.

Margaret Mitchell: So, is it fair to say that you have no idea just now whether you have the resources?

John Foley: We have an idea that we have resources to deal with the threats that we know about currently. However, as we look into the future, we will have to prepare ourselves to be able to address threats that will emerge.

Margaret Mitchell: I am aware that the Scottish Police Federation in particular is concerned about the rank and file not being adequately resourced to cope with terrorist threats.

John Foley: I will pass that point over to DCC Richardson.

Deputy Chief Constable Richardson: I am aware of the federation's comments. One of the advantages of moving to a national force is that it gives us greater flexibility to deal with issues such as we are now confronted with. We are in the process of making necessary adjustments and flexing arrangements to ensure that we can meet that challenge.

Prior to the events in Paris, as has been articulated, we anticipated, and planned around, a different kind of attack profile. Clearly we are now working towards an enhanced profile that involves a change in capabilities and staff numbers. As I have said, what we are doing—I am not trying to be evasive—means that we are moving rapidly. I want to give reassurance that nobody is hanging in the wind here. We have capabilities, but they are being adjusted. Once we have clarity about expense or deficit that cannot be accommodated by the flexing that I have described, we will be in a position to articulate that. However, I am not in a position to articulate the detail now.

Margaret Mitchell: That is fine.

The Convener: We do not want you to tell us in public the details of your security movements, DCC Richardson.

Margaret Mitchell: As long as the matter is being considered.

John Finnie: We have had a number of representations about staff costs. I suspect that slightly different terminology is being used; for example, the Association of Scottish Police Superintendents and Unison say that 92 per cent of the budget is taken up by staff costs, but Police Scotland states that around

"94% of the budget is now invested in people related costs."

The Scottish Police Authority says that about 90 per cent of the budget is for staff-related costs, and that that is made up of 71 per cent for police officers and 19 per cent for police support staff. Is there a simple way of stating staff costs? Normally, staff costs for the organisation will be in the 90 per cents. Given the sums involved, it is important to understand them.

Janet Murray (Police Scotland): We say in our written submission that 94 per cent of the budget is for police officer and police staff costs, which also includes the pensions element that falls within the overall resource budget. So, the figure that we cite in terms of employee-related costs is 94 per cent.

John Finnie: Does the SPA calculate the costs on a different basis? Does the figure that has been offered by the SPA exclude employer costs or something else?

John Foley: The SPA does not take a different view on the costs but looks at them at a different point in time. If there is a percentage point or two difference between our figure and Police Scotland's, it is just because the costs are measured at a different point—that is all.

John Finnie: But you are measuring the same thing. Clearly, we want to know that the oversight body has the same understanding of the percentage of overall costs that is represented by staff costs.

John Foley: Yes. As the oversight body, when we scrutinise, monitor and report figures, they are always the figures that we get from Police Scotland

The Convener: What do you mean by a "a different point in time"? I do not understand what the 2 per cent difference between the Police Scotland figure and the SPA figure has to do with "a different point in time".

John Foley: Police Scotland would look at the ledgers when they were closed off. The figures that we have are sometimes slightly different, but never by more than a percentage point or two.

The Convener: So, are Police Scotland's figures later or earlier?

John Foley: The Police Scotland figures will be later—they will be more up-to-date.

The Convener: So the figure is now 94 per cent.

John Foley: Yes. We do not have direct access to the numbers in the ledgers. That is why they are slightly different.

The Convener: I am sorry—I just wanted to check that point.

John Finnie: That is helpful in trying to understand the matter. Clearly, when we are talking about the global sum, a single percentage point, or two percentage points, is a significant sum of money.

I regretfully go back to the 1,000 extra officers. I stood for the SNP, and the manifesto commitment was for 1,000 additional officers, not for 17,234 officers. I asked the Cabinet Secretary for Justice whether there is any intention to review the matter. Has there been any discussion about the intention behind that figure? The intention was to provide the effect of 1,000 additional officers. It is not possible to deliver that effect without a consequent loss of police support staff—not least because some of the 1,000 officers are replacing those staff. Have you approached the Government about configuring the costs that are associated with the

1,000 officers differently, so that support staff could be retained?

Deputy Chief Constable Richardson: There have been on-going discussions about a range of things. The original intention behind reform was largely about ensuring what I would describe as increased flexibility to make sure that communities are appropriately supported. If we look at the objectives of reform and take them as a collection, equal access to specialist functions is a good example of where, when the need arises, we would surge forward resource—whatever that might look like—in order to make sure that that community need is met.

We have always aimed to increase flexibility over time. Therefore, the whole issue of officer numbers becomes unhelpful. It sets in the minds of community members that the measure of success is how many police officers are permanently deployed from a particular base, station or whatever. That is difficult: it goes directly against the model that we are trying to deliver, which is to meet whatever need arises. Some of that need will look like routine presence, but sometimes it will be a capability that comes in at particular points of the month, year, week or whatever.

There is a bit of a contradiction in relation to numbers—I extend that to support staff numbers. Everybody knows that we had dispersed arrangements; we had eight forces and national arrangements, which led to significant duplication. That was all enshrined within the business case; therefore, it was always the case that we would seek to consolidate arrangements.

Some areas did not previously have police officer presence, but there was not an equal pattern across Scotland. As part of the changes, we have sought to put more officers into some areas. That has not been done simply so that we could let support staff go; it was a deliberate move to ensure that the balance is in line with our experience and judgment, and to address the need for consistency across Scotland.

John Finnie: People understand about duplication—work being repeated eight times, or even nine times in many instances. You would not, however, have dispensed with the police support staff had there not been a financial imperative.

Deputy Chief Constable Richardson: That is probably a fair comment. However, I stress that there would still have been significant consolidation and downsizing. Where people are operating with different practices and approaches and there is also duplication, that needs to be streamlined to improve efficiency. I say again that, as per the original intention and model, it was always the case that there would be a slimming down.

John Finnie: My final question relates to questions that you were asked about terrorist threat. What I heard from your colleagues last week was very reassuring; the known threat has been assessed and there is additional resilience that can readily be deployed. It is not about that that we hear from constituents, however—we hear about routine response, and responses relating to scenes of crime. Is there sufficient resilience in that respect?

Deputy Chief Constable Richardson: We are actively considering that area at the moment. There is no doubt that things change. A number of adjustments have been made to our original model, each of which is a substantive requirement in its own right; for example, national units coming together to deal with particular priorities. However, it is clear, and we are receiving this message from various places in the organisation, that there is significant pressure in some areas.

10:15

We are actively looking to review where we currently stand, where the pressures are and what we can realistically do about them. Representations have been made to us by the Association of Scottish Police Superintendents, and we have commenced a superintendents review. That will cover not just superintendent ranks, but the ranks that lead into the superintendent ranks. That will give us a better understanding of the pressures that have been articulated by ASPS and of whether there are meaningful actions that we can quickly put in place to address them.

Those pieces of work are in train to ensure that, if there is a pressure that can be addressed on an on-going basis, we will address it.

John Finnie: I wish to ask about the public relations response to such issues. The 10 people who get a very good service—the vast majority of members of the public have a very good experience of the police—do not get in touch with their local paper to share their concerns, but the one person who is told that they will have to wait a few days to get a scenes-of-crime officer to attend their house might do that. How is Police Scotland dealing with that? Public confidence is affected by all those sorts of things.

Deputy Chief Constable Richardson: We are acutely aware of that; it has been incredibly difficult over the past few months.

I do not want to say that we are doing a review of absolutely everything, but we are currently considering our communications capability. We

are actively looking to increase our presence in the digital area. We can get more coverage there, and we can target things to achieve more of a balance of information going to the right places. There are a number of areas that we are actively trying to progress.

It is disappointing to me, to be honest, that much of the coverage has been very negative. I am not saying that some of it is not justified, and I am more than happy regarding the notion of accountability—which I welcome. However, when the coverage is routinely negative and feels combative in nature, that has an incredibly negative effect on the organisation and the people within it.

To take some of the bare facts, you will know that the Scottish institute for policing research—SIPR—created an opportunity to carry out benchmarking with all European countries that had gone through structural reform. We did some work to detail other countries' experiences, some of which were fairly negative—in the sense that, after change, complaints usually go up, performance drops and the crime response is hit.

Without exception, the experiences in Europe have not been replicated in Scotland. The nearest comparator is Holland. I went there at a very early stage, and then went back there with Scottish Government colleagues to see what people were doing there and how they were doing it. The Dutch police were significantly in front of us, but as I am sure you will know if you have read the newspapers, the Dutch police are in considerable difficulties now. They have lost their chief constable, they are having to revise a number of the plans that they had put in place and costs have gone up by a considerable margin. Against the benchmark of experience in Europe and beyond, what has been delivered in Scotland is not all negative; in fact, there have been some very strong successes, which we are not managing to get into the newspapers and into the public consciousness. I absolutely take the point that we need to do more to ensure that a balanced picture is presented. We are working to do exactly that.

The Convener: Let us get back to the budget, please.

Roderick Campbell: When Chief Constable House gave evidence last year, he pointed out that there was an irrecoverable VAT element of £23 million in the budget, which he said could have paid for roughly 680 officers. What is the irrecoverable figure at the present time?

Deputy Chief Constable Richardson: Janet Murray will give you the detail of that.

Janet Murray: The irrecoverable figure is now in the region of £33 million. There is the resource VAT, plus any VAT that we incur in our capital projects. That has a significant impact on our overall expenditure levels.

Roderick Campbell: I presume that that would cover the cost of even more than 680 officers.

Janet Murray: It would pay for more than 900 officers.

Roderick Campbell: Police Scotland's submission refers to the overtime budget of £17.5 million, which roughly equates to the amount that we were discussing last year. Can you give us more information on the challenges to the overtime budget?

We also heard evidence last year about a sickness ratio of about 4.2 per cent. What is the current position in relation to sickness?

Deputy Chief Constable Richardson: Overtime is an on-going challenge. It is a discretionary spend—to some extent, at least—so it is a legitimate area to look at, and one in which we should make savings if we can. Some of the pressures relate to the dynamic nature of policing; there are things that we simply cannot plan for but which need to be met, particularly in the domains of serious crime and counterterrorism. Events emerge and must be responded to, even if they are outside plans or timescales. If the intelligence picture changes we need to act on that. It is usually the overtime budget that foots the bill for such things, so overtime is not a luxury extra but a requirement to enable us to sustain and maintain an appropriate level of provision.

In addition to that, some of the initial modelling of the policing resource across Scotland was predicated on a level of overtime, so it is a blend between permanent posts and the ability—following the concept of flexibility that I described—to surge resource appropriately when required.

What I am trying to explain is that the overtime budget is not just a luxury extra that can be pruned back, but an important part of the budget that enables us to deliver what we have committed to deliver. We have reduced that budget by 48 per cent since Police Scotland went live, so significant adjustments have been made in line with the pressure that we are under to live within our means. I suggest, however, that within that budget there is a level that is not discretionary. Please do not push me to pick a level, however, because it is not easy to do.

Is there scope to reduce the overtime budget further? That is potentially the case. We are in active discussions with the SPA about those issues, as you would expect. However, all that carries a judgment and a level of risk, and we need to look at it on an on-going basis, because

the dividend of making any adjustments now will clearly be greater than if we make adjustments closer to the end of the financial year, so we will continue to do that. It may be possible to make further savings, but I do not want to compromise officers' ability to deliver what the public expect them to deliver.

Roderick Campbell: Is there an element of overtime in your £23 million overspend or are you keeping to that budget?

Janet Murray: We are more or less balancing that budget line at the moment. It varies depending on how an operation proceeds, but at the moment the figure remains £17.5 million.

Roderick Campbell: What is the sickness position?

Deputy Chief Constable Richardson: I am sorry. I have not come prepared with figures on sickness, but I can easily answer that question by correspondence, if that helps.

Roderick Campbell: I also have a small technical question. Last year, we established with Chief Constable House that 329 officers were funded by local authorities in Scotland. Does that remain the case? Is there any indication that that will change and put additional pressure on the budget?

Deputy Chief Constable Richardson: Those are active conversations that are taking place just now, as you would expect. If you want my judgment, it is that we are not operating in isolation and I am well aware that local authority colleagues are under the same pressure to make reductions—and under even more extreme pressure in some areas—so I am taking nothing for granted. We just have to accept that there may be some adjustment there, but I cannot confirm that now.

Roderick Campbell: What impact is cybercrime having on police resourcing?

Deputy Chief Constable Richardson: Do you mean in terms of people or money?

Roderick Campbell: Both.

Deputy Chief Constable Richardson: Cybercrime is clearly an area that is pressing and is undoubtedly a growth industry. It is a major threat not just for policing but for the whole of Scotland. We have, in consultation with the SPA, invested in that area and we have plans to progress that over the next few years to ensure that our capabilities remain fresh and able to meet that threat. You must bear in mind that technology, however, is a rapidly changing dynamic—technologies, memory space and things of that kind are quickly superseded—so it is an area that will continue to be a concern for us.

We have had some cyber attacks from a policing point of view, which have been responded to very well and we have effectively managed them in an appropriate fashion, but that is the type of uncertain risk that we face on a day-to-day basis. That is not true only of policing; any organisation may face attacks on its information technology systems. It is important that our infrastructure is properly maintained and modernised to ensure that it is as resilient to those types of attacks as we can possibly make it.

In conjunction with the SPA, we are ensuring that that area is prioritised for investment, and we have made significant progress in that respect. That is all documented in the corporate strategy, and we are well down the road of delivering what we set out to do in modernising the estate.

From a Police Scotland point of view, I can give you some assurance that things are moving well with appropriate investment. On the general cybercrime response, we have made investment and we are in the process of modernisation. We have capability just now, but it is at the tail end of its life, so it is important that that investment be progressed.

Roderick Campbell: Finally, I have a question for Mr Flanagan.

When your predecessor Vic Emery gave evidence to the committee last year, he said that he was instigating discussions on the nature of policing in the future: what policing will cost, what skill sets are needed and what the balance between uniformed and non-uniformed personnel will be. He said that he had kicked off the discussions by meeting academics, Police Scotland and the Government. Where are we with those more general discussions?

Andrew Flanagan (Scottish Police Authority): That brings us back to the longer-term strategy for policing in Scotland. A number of discussions and initiatives are going on; my colleague John Foley will be able to give you some more detail on those.

Vic Emery correctly identified that there was a need for a more extensive debate about the nature of policing as we go forward. In the absence of that debate, it is quite difficult to draw out some of the strategic changes that are required and the budgetary implications.

Some of the committee's earlier questions on cybercrime highlight the kind of changes that are going on. The police cannot be isolated from the nature of criminality or the social changes that are occurring across society.

I will pass over to John Foley, who will talk about the detail.

John Foley: When Mr Emery made those comments, we were at the beginning of a process of looking at a longer-term strategic vision to take us up to 2026. We were going to incorporate matters such as demographics and geography, and engage with academics, which we have done. We have engaged actively since then with the Scottish institute for policing research—SIPR—and with some other academics who have been involved in the reform collaboration work.

We are pulling together a corporate strategy that will be quite cohesive, looking forward to 2026, and that will contain all those elements. We have been engaging in that process with Police Scotland. What we are producing will be a very good product and it will be available in spring.

The Convener: I do not understand any of that. It is corporatespeak, and I do not really know what it means.

I will be honest: I think that people outside will say that they do not know what that means. I do not mean to be rude. I understand that you know what it means and that somebody else might know what it means, but I do not know what it means. When you talk about the nature of policing, what are you talking about?

John Foley: I will speak a bit more plainly, convener—

The Convener: Yes, please. I am a simple woman.

John Foley: Essentially, since Mr Emery made those comments, we have pulled together what looks like a strategy that understands society as we move forward to 2026. It includes aspects such as demographics and age profiles of people—for example, people who are going into higher education. It seeks to understand what their needs will be as we move forward and it will reflect on what sort of police service would satisfy those needs as we move over that timeframe.

The Convener: Right. I got a little bit further forward there, but I do not understand what you mean by "needs". What do you mean by that?

John Foley: Well, we know that, projecting forward, we are going to have a more elderly population, so the needs of elderly people who engage with the police service will be different from the needs of a student. One example is the use of technology and people's preferences for how they contact the police—something simple like that. We have to look at that across the whole range and predict what the demographics and geography will look like over that period.

10:30

The Convener: Does Rod Campbell want to come back in?

Roderick Campbell: No, I have heard enough for the moment.

The Convener: I do not know what to make of that.

Margaret McDougall (West Scotland) (Lab): With hindsight, would it have been beneficial for Police Scotland to have been exempt from VAT?

Deputy Chief Constable Richardson: From my perspective, the answer is almost certainly yes. We have had a consistent view on that, and the comments that have been made set out the position. As the only policing organisation in the United Kingdom that is paying VAT, we are something of an outlier.

Margaret McDougall: Are discussions going on to try to rectify the situation and provide an exemption?

The Convener: That is a matter for the Scottish Government, rather than Police Scotland. I think that the Government has been in discussion with Westminster on the subject.

Margaret McDougall: Thank you for that.

The reduction in the number of police support staff has resulted in backfilling. What effect has that had on the service? Are further reductions in support staff anticipated?

Deputy Chief Constable Richardson: Let me clarify again that our position has not changed and there is no backfilling policy. We are not routinely and systematically putting people into support staff roles as a policy position.

Having said that, as the committee has heard previously, given the reality of the day-to-day dynamic around replacing people who are sick or abstracted for court purposes, for example, a judgment is taken and on occasions police officers are required to provide temporary cover for positions.

We have also had short-term arrangements to enable the flow of people exiting the organisation through voluntary redundancy. If we have been able to speed things up, when we know that a position is likely to finish in two or three months, we have in the past put a police officer in to enable the person to leave the organisation.

There is no policy of backfilling and we have no plans to introduce one.

The Convener: Can we drop the word "policy"—we accept that there is no policy—and ask whether it is happening in practice?

Deputy Chief Constable Richardson: Well, it is an important distinction—

The Convener: Yes, it is.

Deputy Chief Constable Richardson: If by backfilling you mean police officers fulfilling staff officer functions, then the answer is yes, that is happening. However, it is not happening wholesale. There is not a planned approach, in an effort to exit as many support staff as possible through blanket backfill, which I think was the spirit of the question. That is not the case.

We are living in a world in which savings have to be made, and it would be wrong of me to say that there will be no further reductions in staff. What I cannot say is what numbers are involved. We are actively working through plans on how best to balance the budget. When the settlement becomes apparent and we know what it looks like we will be in a better position to determine what the size and scale of the organisation needs to be.

Margaret McDougall: I understand that backfilling is not a policy, but I think that we all know that it happens. The question is the extent to which it happens. If we lose more support staff, will even more police officers have to fill in? That is a concern for the public.

Deputy Chief Constable Richardson: What we are seeking to do has not changed—this has been part of the plan all the way through. The initial phase of reform was largely about trying to maintain core services and to consolidate. That was the phase that brought various organisations into a single operating entity.

The next stage of the journey is around what might be better understood as the really transformative activity, which involves changing processes and doing things differently—being slicker and sharper about how we do our business.

You talk about loss, but that does not happen in isolation, because we are seeking continually to improve how we do our business. There is still lots of bureaucracy in the organisation, which we are systematically trying to reduce.

The Convener: That is a good word. There is lots of bureaucracy—tell us about that.

Deputy Chief Constable Richardson: It is a national organisation that had eight different ways of operating—

The Convener: Forget that bit—we have got rid of the eight different ways. Just go into what there is left to cull.

Deputy Chief Constable Richardson: We do not have eight organisations any more, but we could not change everything overnight. Everything did not seamlessly go into a common, single way of working on day 1; we had a patchwork of policies, ways of working and cultures, and we have spent the best part of three years working our way through that. We were not able to do everything overnight; we have had to target and plan what we have done.

To have a realistic expectation of success, we have needed to be fairly methodical, and that was always going to be a long-term endeavour. The point is that, as we seek to improve efficiency, that provides the opportunity to release members of staff who are no longer required because the system is far more efficient. We have been working on that with the unions and staff associations. It is a basic principle of reform that it takes a number of years to work through.

Margaret McDougall: Can I continue on a different—

The Convener: I think that Elaine Murray has a supplementary question on the issue of civilian staff.

Elaine Murray: Yes. This is what I was driving at when I talked about the 17,234 police officers and the 1,000 extra officers—figures that were determined before Police Scotland existed, when we still had eight forces. You now have police officers doing the jobs of civilian staff but getting the same rate of pay as a police officer. In addition, police officers have a different skill set and their skills are not being properly used if they are behind a desk doing the jobs that skilled civilian members of staff could do. Can you get the right balance in your workforce when you are constrained by an imposed staffing number?

Deputy Chief Constable Richardson: It is fair to say that it is harder to do that when there are constraints, but, as I have tried to describe, having such constraints sometimes results in a sharper focus in the areas that need to be progressed. The reality is as I have described it through the European examples. There is more complexity than you can possibly imagine associated with a change on this scale, so it is welcome when things are simplified as far as possible because that increases the chances of success and delivery. Having those officer numbers enabled a degree of simplicity in that area, which meant that the focus stayed where it needed to be.

We do need to find a balance in our workforce, but that is not something that we can craft straight away. We need to learn from experience what that balance looks like and what is the best asset to bring in, whether that is a member of support staff or a warranted officer. As we make the improvements that I have just highlighted as part of the change process, that will change as well. The on-going requirement for savings and the CSR settlement will undoubtedly drive another

opportunity for us to determine what service we are required to deliver throughout Scotland and the best mix of civilian staff and police officers to deliver it.

The Convener: The question is this. If Father Christmas was to bring you a present, would it be that you would not have to stick with 17,234 police officers but could have some flexibility in balancing officers and civilian staff? That is the question that we are trying to get you to answer. We understand why you are being very careful in your response, but, if you want the committee to do its job, you have to tell us whether having that fixed number of police officers is really an impediment to your having the skill set and balance that you want. Pretend that you are Father Christmas and tell us.

Deputy Chief Constable Richardson: I am sitting here in front of you as a senior police officer—

The Convener: I know that you are.

Deputy Chief Constable Richardson: My duty is really to get as many police officers as I possibly can—

The Convener: That is not my question. We would love you to have an open budget, but my direct question is whether that figure—which is what everybody around the table has asked you about—prevents your having the correct skill set. You might want more officers at some point; you might want fewer. Would you like more flexibility?

Deputy Chief Constable Richardson: I want as much flexibility as I can get. The debate is in the wrong place—the numbers part is less important than the money part. I am more interested in seeing what settlement I can secure and, from that, determining how best to deliver the necessary policing services across Scotland.

Again, I come back to the point that I have seen my colleagues down south having very dramatic reductions in the number of police officers—

The Convener: We understand that and we appreciate your caution. However, I detect that somewhere in there was an answer to the question that we have been pressing. It is important that we ask that question.

Margaret McDougall: I have not finished my questions.

The Convener: No, you can come back in when we have finished on police numbers.

Alison McInnes: I have a further supplementary on that. Mr Richardson, you would have us believe that the backfilling is ad hoc and temporary. If we look at what has happened with firearms licensing officers, we can see that that is not ad hoc, but is a deliberate decision to remove civilian staff and replace them with police officers on a permanent basis.

Deputy Chief Constable Richardson: I hope that this is not a play on words, but it is about a determination of demand and how we best meet it. Firearms licensing was an area in which it was determined that we would do things differently and address the demand in a different way. It is not the case that there is a member of staff and, like for like, you switch them out for a police officer, which is how I would interpret backfilling.

Alison McInnes: That is semantics. It is not an ad hoc thing, but is a deliberate choice. HMICS recognises that in his submission. He says that he has noticed

"increased use of police officers in corporate functions and other settings with no real business case rationale."

That goes back to what the convener was saying, which is that you are not able to test the business case rationale for keeping civilian staff in post because you will not challenge the fact that you have to have the 17,234 officers. Is that not the case?

Deputy Chief Constable Richardson: No. I understand why you are asking the question and why people would take that view. When we had eight different forces, in the vast majority of conversations around the board table when we were looking at potential ways forward, there was a real diversity of approaches and in some areas there was no police presence, including corporate functions. However, carrying out a corporate function with knowledge of how it impacts and applies to the policing requirement is quite important. There was a deliberate move in a number of areas to say that we would like there to be police knowledge and understanding in that area, to ensure that we get better delivery and an informed outcome from that endeavour, whether it is a corporate function or an area of service delivery.

Some forces had moved to a point where no officers at all were involved in certain areas of delivery. As a new national organisation, we believed that that needed to be rebalanced. So, there are a number of areas where we have deliberately moved to a position where we now have police officers in place. It is not a sinister or Machiavellian plan in order to compromise support staff, but it was a deliberate move to try to ensure that we deliver the best possible services to the people of Scotland.

Christian Allard (North East Scotland) (SNP): As we are talking about using police officers in roles in which they might not be needed, I recall that last year we heard some explanations about not using police officers at football matches, and so on. Have we made any progress on that and on

other events where police officers may not be required?

Deputy Chief Constable Richardson: The overwhelming imperative is public safety, which can be addressed in a number of ways. The historical approach to such things was to have lots and lots of police officers at an event. We have moved on in our thinking and recognise that it does not need to be police officers and that security staff can handle things. Events can hire their own internal stewards to ensure that the safety of the public is optimised.

For every event that we are asked to support, we will do appropriate planning work, carry out risk assessments and put forward a view as to how we think public safety can best be managed. On the majority of occasions, that leads to fewer police officers, as long as the organisers ensure that they put in place the appropriate stewarding. We have also moved to a policy of recovering costs when we put police officers in. It is in the public interest to ensure that the policing budget goes as far as it possibly can.

10:45

Christian Allard: I had an exchange of letters with Police Scotland on cost recovery, and it looks as if you will never recover the money from some political parties, for example. Can we change tack? Instead of talking about cost recovery, could we decide from the outset what should and should not be covered by police officers and try to reduce the events that are so covered? Have you tried that? Have any of the savings that have already been made been achieved in that way?

Deputy Chief Constable Richardson: That is what I am suggesting to you. The assessment that is done for every event is looked at through a lens of ensuring that the policing footprint is as small as it can be.

Christian Allard: Does Police Scotland still issue bills to other organisations without knowing whether it will get the money back?

Deputy Chief Constable Richardson: We have a policy of cost recovery and, if somebody goes into default, we will pursue that. Ultimately, our stated intention is to recover the cost.

Christian Allard: I thought that you would be further ahead than last year. Has the number of police officers at football matches decreased?

Deputy Chief Constable Richardson: I will check whether we have any information. It is available, but I did not bring it with me. I am not sure whether Janet Murray is aware of it.

Janet Murray: Overall billing to football clubs has reduced in some areas. The position depends on the game or, as the DCC outlined, the requirements. I do not have overall figures with me, but I can provide them.

Christian Allard: It would be good if you could do that.

We have talked about cybercrime and terrorism. Deputy Chief Constable Richardson talked about co-ordination with forces down south and throughout Europe. There are budget challenges not only in Scotland but across other forces. Are the savings that we have made starting to influence the collaboration that we have with other forces on cybercrime and terrorism?

Deputy Chief Constable Richardson: Are you asking whether we have improved our collaboration?

Christian Allard: No. I want to know whether the collaboration has been affected by the cuts in Scotland, down south and in the rest of Europe.

Deputy Chief Constable Richardson: It is fair to say that there is pressure on the collaborations but, in key areas of business, we have maintained all the necessary ones. Colleagues down south—they are the closest—have gone through some fairly dramatic change, so the entire operating arrangements north and south of the border have shifted.

Under the legacy arrangements, when we had twice as many chief officers as we have now, we all routinely took responsibility for linking with our counterparts down south, attending meetings and ensuring that the information flowed. We are in a different place now, because we cannot support the same level of activity with far fewer people, and the expense of the continued travel, for example, must be borne in mind.

The operating arrangements with the National Police Chiefs Council have provided a more streamlined opportunity. We are engaged with the council, but it is probably fair to say that we are more selective about the groups and forums in which we actively and more routinely participate. That does not generate any weakness in any particular area; it is simply a more streamlined way of doing business.

Christian Allard: Will it also be part of the strategy to try to ensure that there are no weaknesses in the future, with more cuts down south and in Scotland?

Deputy Chief Constable Richardson: Undoubtedly. The discussions are active and continuing. There is a great deal of extremely dynamic change. I have been involved in discussions with the Home Office and chief officers down south about the planning arrangements. They are interested in our experience in Scotland and invite my view to

ensure that that is properly integrated into their emergent decisions. I reassure you that the discussion is active and they certainly do not ignore the Scottish need; we are at the table in the various places where we need to be.

Christian Allard: This is my last question. If you had a Christmas wish, would it be that Police Scotland could recover the amount that it pays in VAT and that you would not need to worry about VAT in the future?

The Convener: Yes.

Deputy Chief Constable Richardson: If you want to give me the VAT money as a Christmas present, I will thank you very much for that.

The Convener: I apologise to Gil Paterson for preventing him earlier from asking a question about that issue, which we have since explored.

We have not yet asked about a concern of the Scottish Police Federation, which states in its submission:

"Whether by accident or design there are many parts of the service that operate in silos. Each of these silos may well be able to satisfy itself that it is delivering value for money in its own particular area of the policing business, but unless we are able to see how they contribute to the totality of policing, it is difficult to genuinely gauge if that contribution is needed or indeed if it could be done without. One of our members recently described the situation as 'those that never existed in the past have created an industry to justify their existence now.'"

That looks like folk creating jobs for themselves and looking busy, although nobody can work out what they are doing and what it is costing, as there is no monitoring. That seems quite an indictment.

You talked about efficiency, streamlining and tightening things up, DCC Richardson. However, it seems that Police Scotland has been a growth industry since it came into being.

Deputy Chief Constable Richardson: I can answer that in two ways. The first point relates to that final comment. I have been to seven divisions over the past two or three weeks and have found generally that things are locally relevant, that people are involved from a delivery perspective and that people's levels of local awareness are high. However, when asked questions about what they perceive to be national requirements, their awareness is not so high.

What the quotation described is probably a fair reflection of a view that colleagues might well have. It is not that it is wrong; it is just that people do not know what value is being delivered by some of the capabilities that were described in the quotation. If we were to sit down and go through all of those, we would find that the picture is far less concerning and it would be clearer that a collective effort is involved. That said, I think that the criticism quoted is fair.

I mentioned that I have tried to breed simplicity in the organisation as far as I could. That started right at the beginning when I was responsible for some of the planning for the Police Scotland model. One of the approaches that I took was to develop, in effect, silos, which involved a group of functions to enable us to make headway and cut through the business. As we have moved forward, those silos have been broken down. However, it is probably a reasonable criticism—this is coming through from the staff survey and other bits of feedback—that some areas are not as well integrated in the force or that their capabilities are not as well known as they should be. I take that as a challenge so, as part of the work that we are doing and will do in response to the staff survey, I am seeking to break that down. We are actively in conversation on the follow-up to the staff survey. I believe that there is a session on that tonight.

Janet Murray: Yes.

Deputy Chief Constable Richardson: We are engaging with members of staff as part of that follow-up and trying to get into the territory to which the convener referred. At the turn of the year, an action plan will flow from that. Where it is possible to continue to break down silos and increase understanding and appreciation across the organisation, we will do exactly that.

The Convener: I note that HM inspector of constabulary in Scotland said in his written submission that he has

"observed ... increased use of police officers in corporate functions and other settings with no real business".

There is no point in having the 17,000 and whatnot police officers if they are sitting talking about stuff and doing strategies but not policing, which seems to be the point that was being made in the quotation.

Deputy Chief Constable Richardson: If anybody is aware of people who are employed in police officer functions and have nothing to do, I am more than happy for them to bring that to my attention.

The Convener: That is the folk "with no real business", as the inspector of constabulary put it.

Deputy Chief Constable Richardson: I do not know what lies behind that. It is certainly not my understanding. However, I am more than happy to act on any information that people want to give me.

Margaret Mitchell: To follow up on other members' questions, the VAT exemption does not apply to Scotland because there is not any funding from local taxation. That is why the position differs from that in the rest of the UK. I think that the decision was taken that the savings would outweigh the loss of the exemption. As that has

not materialised, is it time to look at a different structure, rather than the centralised funding that means that we cannot access the VAT exemption? The problems also relate to local taxation; the Christmas present that you were talking about from the budget could be realised by looking at that. Should you be looking at that?

John Foley: We would like to carefully consider all options but, in relation to VAT, all that we can do is consider options and perhaps make suggestions through Government officials. We cannot directly affect that.

Margaret Mitchell: On police numbers, I do not think that there is any doubt that the public are supportive of having more police on the beat. DCC Richardson, you suggested that you would rather have the money and choose how to spend it. Is it not the case that a big issue is how the money is spent on salaries, including some exorbitant salaries that the public sometimes feel cannot be justified? Would you like to comment on that? That is an important aspect of looking at the budget.

Deputy Chief Constable Richardson: With regard to the money and its distribution, a great big element of the money goes into staff—that is an important component. Salaries across the board are determined through convention and process, so that is not a matter for me to comment on.

The Convener: Thank you very much for your evidence. That concludes the session.

10:56

Meeting suspended.

10:59

On resuming—

The Convener: I welcome our second panel of witnesses. We have Sarah O'Donnell, director of finance and contractual services at the Scottish Fire and Rescue Service; Pat Watters, chair of the Scottish Fire and Rescue Service Board; and Alasdair Hay, chief officer of the Scottish Fire and Rescue Service. I know that you were listening to the previous session and I thank you for your submissions. I will go straight to questions from members.

Elaine Murray: Your submission says that you could manage a flat budget settlement but that a cash reduction "would be extremely challenging". In the Scottish Fire and Rescue Service, there has not been the equivalent of the 17,234—the number of police officers in Scotland. There is no set number of firefighters below which you cannot drop. Has it been of assistance to the SFRS in managing its budget that it has had additional flexibility?

Alasdair Hay (Scottish Fire and Rescue Service): In simple terms, that flexibility has been of assistance to us. The ways in which the eight legacy services crewed their front-line appliances varied—every service had a different approach. We have put the safety of communities and the safety of firefighters at the forefront of our thinking in every change that we have made. We have agreed with the Fire Brigades Union a resource-based crewing model that requires us to have 3,709 firefighters. At this moment, we are 54 above that, although those people are not all in the right places across Scotland. We are using overtime to smooth the curve and get people into the right places.

A recruitment campaign for the north of Scotland will kick off early in the new year, and we will recruit 33 additional whole-time firefighters in January so that we arrive at a sustainable model. We believe that if we had not had the flexibility that we have had—if we had had a fixed number—things would have been more difficult.

Our submission points out that, although 79 per cent of our budget goes on staff costs, only 58 per cent of the savings that we have achieved have come from reductions in staff. We appreciate that it is staff who make the difference, and we appreciate that community safety and firefighter safety are priorities for us, but in our opinion flexibility has been essential.

Elaine Murray: Do you agree with the FBU that no further reduction in front-line staff is possible? Is that part of the challenge that you would face if your budget were to reduce?

Alasdair Hay: It is our front-line staff who ultimately deliver the improvement in safety outcomes for the people of Scotland. There are opportunities for the Fire and Rescue Service to contribute to the health and social care reform agenda and improve outcomes for the people of Scotland. In addition, we are all responding to the new risks that the country faces. Therefore, I urge the Government to exercise caution in making any changes to the Fire and Rescue Service at this time. We must realise the future potential, we must understand what the risks—which are changing—are and we must consolidate the gains in efficiency and effectiveness that we have achieved through the reform process.

Elaine Murray: Do you agree with the FBU that the potential for savings has been exhausted and that you have done as much as you can and saved as much as it is possible to save?

Alasdair Hay: We have been set a target of saving £328 million through the reform process, and we are on track to deliver that. If we were to

go beyond the target that was set for us, we would have to re-examine our delivery model. At this moment, my recommendation is that we should consolidate the position, look at how we can secure additional value in other ways and understand what the change in risk to the country is and the contribution that the Fire and Rescue Service can make in addressing that.

The Convener: There must be as much pressure on your resources as a result of the threat of terrorism as there is on the resources of the police. Do you have the capabilities to deal with that from the point of view of your budget and your man—or woman—power?

Alasdair Hay: Of course, our heart goes out to the people of France and, in particular, the people of Paris following the recent co-ordinated terrorist attacks that we all witnessed. If you have watched footage from that, you will have seen that our colleagues in the sapeurs-pompiers in Paris are absolutely in the front line of dealing with terrorism.

You may remember that 343 firefighters were killed as a result of the twin towers attack on 9/11. Firefighters are in the front line of any response to the terrorist threat. We have an ask of us, in relation to our preparedness, and we are prepared to meet that ask. However, as is the case for our police colleagues, the risk is not static; it is changing. The terrorists continually modify how they may rain terror upon our cities, and we have to prepare and change all the time to meet any potential threat to the country.

The Convener: Is there an opportunity for you to have additional resources from the Government, if they were required because additional demands were put on your front-line services?

Alasdair Hay: At the moment, it is difficult for me to quantify that but, having observed and initially considered how terrorism is emerging, we can definitely see areas where additional resources for the Fire and Rescue Service would be usefully deployed.

John Finnie: I will ask about the challenges with the retained service. We have gone into that in the past—social patterns, people's work patterns, lifestyles and the rest. That remains a challenge, which I presume is not simply a budget challenge.

Alasdair Hay: The situation remains a challenge. I am happy to report to the committee that, as has been stated, we have initiated two major pieces of work on that. One was to consolidate and harmonise the processes from the legacy services. That is coming to an end and we have made efficiencies in relation to the time between people initially being attracted to the fire service and people taking up their employment after completing all the necessary selection processes. We have harmonised and streamlined that, and we have received really positive feedback about that.

The second part of the project is to ask what the retained service would look like if we were to redesign it for the 21st century. It was originally designed in the 1950s, when lifestyles were completely different, as we have discussed before. We are running three significant pilots to learn lessons about that: one in Aberdeenshire, one in the Scottish Borders and one in East Lothian.

Fundamentally, we think that the retained service needs a complete redesign. It needs to be looked at not as a separate part of or an adjunct to the Fire and Rescue Service but as a core part, and it needs to be redesigned in conjunction with a redesign of the whole service. We will be bringing forward recommendations to our board early in the new year that present a series of options for how we might achieve that.

John Finnie: I will be parochial—I know that the convener likes me to be parochial. Are the excellent training facilities that you have created in the islands an example of spending to save? There is the added bonus of being able to recruit people who might otherwise have had to go away for a considerable period.

Alasdair Hay: Yes. We listened to accounts of some of the barriers that exist to people joining or remaining in the Fire and Rescue Service. The fact that in some rural parts of the country people were having to travel to centralised points for training, which meant taking three days out from their work and families, was a significant barrier.

We are putting in significant training facilities across Scotland so that firefighters can access training locally. That is spending to save, because significant travel, accommodation and subsistence costs are involved in bringing firefighters from the islands to the mainland. We have made a business case that stacks up financially. We will also reduce the indirect costs from losing committed staff because they cannot meet the commitments.

John Finnie: Are there other examples elsewhere in the country of that approach being adopted, or will that come from the three pilots that you are looking at?

Alasdair Hay: For training, there is a significant need and a significant infrastructure in the Scottish Fire and Rescue Service. There are 46 generic risks that firefighters may be expected to deal with.

We have mapped out all the training facilities throughout Scotland. In our capital investment programme, we intend to ensure that firefighters

have adequate training facilities within a reasonable travel time to allow them to meet the risks in their areas—the incidents that they are likely to attend. Notionally, we have put that travel time at about one hour.

Last week, we opened training facilities in Stornoway. We are investing in similar training facilities in the Shetlands, Orkney and other parts of the north of Scotland, because those are our more remote and rural areas.

The Convener: I will not be parochial and ask about the Scottish Borders, although I am itching to do so.

Roderick Campbell: Am I right in thinking that the £7 million-worth of recurring cash savings by 2019-20—savings that have yet to be found—is mostly from control room rationalisation and a resource-based crewing model? How is that £7 million put together and how are you managing change in relation to control rooms, bearing in mind the experience of police control rooms?

Alasdair Hay: I will answer the first part of the question and will then allow Sarah O'Donnell to come in. I will deal with the control room question separately.

Savings of £328 million are expected of us as a result of the financial memorandum that supported the Police and Fire Reform (Scotland) Act 2012. To take us up to 2019-20, we created a critical savings pathway, which identified four main areas including a reduction in staff and associated costs. It was also about property and contract rationalisation, streamlining processes and looking at additional shared services. Over the timeline to 2019-20 on the critical savings pathway, we have identified specific initiatives and projects, and we have quantified how much we expect to save from each of those projects along that pathway. That is our medium-term financial strategy for the organisation.

If you want some of the specifics in those headline areas, I am sure that Sarah O'Donnell could identify those for you.

Sarah O'Donnell (Scottish Fire and Rescue Service): In addition to the resource-based crewing model and the control room rationalisation, we have savings accruing in relation to what we describe as our property strategic intent. We reviewed our corporate buildings and identified where we could create an infrastructure that was fit for purpose for Scotland. A number of savings are due to be made in relation to that and in relation to further asset and contract rationalisation. Savings are also still accruing from the implementation of our human resources payroll system, which is a single system across Scotland. All of that enables us to improve our processes and save money on multiple contracts.

Alasdair Hay: We have a programme of rationalisation of our control rooms, which we are reducing from eight control rooms to three large regional control rooms. As I have said previously in evidence, we have modelled that rationalisation on the Johnstone control room, which covered 12 local authority areas—serving roughly half the population of Scotland—ranging from remote island communities to Scotland's largest conurbation and all the way down to the Scottish Borders. We are using a model that we know works and is safe.

We have clear leadership on this. We have established appropriate governance arrangements including effective programme and individual project management to ensure that we do this safely. We have also engaged closely with staff on this, specifically our control room staff who have expertise in the area. To date, we have merged the Dumfries control into the Johnstone control, and last week we got the new control room in Tollcross up and running. Our Edinburgh staff have moved into that control room and we are in the process of migrating staff there from, first, Maddiston and, secondly, Thornton. It is our intention to have completed the third part of the programme by this time next year, which is to bring our Inverness and Aberdeen staff into the Dundee control room.

We have read with interest the reports on the police control rooms, and I have had a verbal assurance from the assistant chief officer who is responsible for the project that he has fully reflected on the findings of those reports. I will get a full written report from him this week. We assure the committee that, if there are any lessons for improving what must be a safe and secure transition, we will learn them.

11:15

Roderick Campbell: Have there been any teething problems to do with the reorganisation that has taken place so far that you would like to share with us?

Alasdair Hay: There have been no teething problems that have caused us any significant issues. We have had the new control rooms—for example, in Edinburgh—up and running while the other control rooms are still operating, and we are shadowing the operations that are going on to ensure that everything is fully functional and that the staff are supported with the training that they require to operate in the new control rooms before we move them in and they go live.

Roderick Campbell: You have spoken about a recruitment campaign in the north. Other evidence

that we have seen has discussed recruitment freezes. Can you clarify when there has been a freeze and how recent the recruitment campaign has been?

Alasdair Hay: I am not sure that we have ever spoken about a freeze. We have been reducing the number of whole-time firefighters, and we have been actively and continually recruiting into our retained stations across the country.

Initially, we offered 40 whole-time firefighter posts to support staff because we wanted to give them assurance, having said that there would perhaps be opportunities to retrain within the service. We have also offered voluntary severance and early retirement, and we have provided opportunities for people to move to a different location while retaining the same role in the service. We wanted to give reassurance that our promise of retraining was realistic and tangible, which is why the first thing that we did was offer those 40 whole-time firefighter posts that support staff have moved into.

We then conducted a public national recruitment campaign and took on just under 40 people. We had intended to take on 40, but some people failed medicals and so on. We had 39 people on a holding list. We went back to them, and 33 of them are going to start with us in January.

We have some specific issues in the north of Scotland, predominantly in the north-east, where, like the whole of the public sector, we have had to compete with the challenges of the oil industry.

Margaret McDougall: The Fire Brigades Union has suggested that there is a worrying trend of increasing response times. Do you have a particular concern about the service in that regard?

Alasdair Hay: Having read the Fire Brigades Union's submission, I note that it has shared those concerns with me previously. The matter has been considered across the UK. There has been a slight increase in response times, but a lot of the evidence for that shows that it is because of changing traffic patterns across the UK—it is happening at a UK level. We have no evidence of specific increases in response times in Scotland.

You must also consider the time between a fire starting and the moment when somebody discovers that it has started. One of the biggest things that we have focused on is prevention activities. Since the inception of the Scottish Fire and Rescue Service, we have delivered close to 250,000 home fire safety visits, and we have installed smoke detectors in many premises. When looking at response times, you must consider the whole response window, not just the travel time from the alert to arrival at the incident. One of the most significant periods is the time between ignition and alert.

Considering the whole response window, we believe that the programme of prevention that we have put in place and early detection are making the people of Scotland significantly safer. Our evidence for that is the fact that the first two years of the Scottish Fire and Rescue Service were the two years with the lowest number of fire deaths in Scotland. We are not complacent about that in any way, but, when you talk about response times, you have to look at the whole window.

Margaret McDougall: Thank you for that answer, but is there a target for response times? If so, are we talking about reducing that target or is that suggestion unfounded?

Alasdair Hay: The Scottish Fire and Rescue Service does not set a target for response times. Previously, the whole of the UK fire service was predicated on response times according to the categories of A risk, B risk, C risk, D risk and remote rural. For A risk, which covers the centres of our big cities, the aim was to have two fire appliances in attendance within five minutes and a third within eight minutes. The response times fell progressively down the risk categories to remote rural, for which there was no defined time.

That changed in 2005, when we introduced integrated risk management planning, whereby, first and foremost, we have to identify what the risks are, quantify them, take measures to reduce those risks and have sufficient emergency response to deal with the remaining risk if and when it manifests itself as an actual incident. The approach changed significantly, placing a much greater emphasis on prevention. Having a greater focus on prevention and looking at the whole system, instead of isolating individual parts such as response times, has contributed significantly to the reduction in the number of incidents not just in Scotland but across the UK.

Gil Paterson: My question follows on from John Finnie's question on training. Can you tell us about the training for your rescue service? From my experience in the motor trade and accident damage, I know that highly skilled professionals are involved in such incidents but that on-going training is needed. Are you able to provide that? Have the budget constraints had any impact on such training?

Alasdair Hay: There are 46 generic risk types for which we prepare our firefighters, of which a significant one involves responding to road traffic collisions. We make a significant investment in equipment and the tools that firefighters require to rescue people from collisions. However, the tools are no use without skilled operators. We have a continual programme to maintain the skills that

firefighters have and our central training establishments have road traffic collision instructor courses to ensure that those instructors get the latest input, which they can cascade throughout the organisation.

We do not want to compromise at all in relation to training. Firefighters work in an inherently dangerous environment, not just at road traffic collisions, and we have consciously protected the training budgets and training time. We would try to protect those areas if there were any cut in our budget. It would be an extremely difficult decision for us if we had to reduce the amount of training that firefighters receive.

Pat Watters (Scottish Fire and Rescue Service Board): In most industries, training is seen as a soft option and something that they would look to cut in times of financial restraint. Because the Scottish Fire and Rescue Service has been so successful in its prevention mode, not just in the past three years but in the past 10 years, our crews need more training rather than less. If our crews are unsafe when they get to an incident, your constituents are unsafe when the crews arrive. That is not something that we can thole. It is not a soft option in the Fire and Rescue Service; it is a solid area that we want to maintain and improve.

Gil Paterson: I appreciate your comments. Given that Pat Watters has the floor, so to speak, it would be madness for the committee, in talking about the budget, not to bring up VAT and the impact that it has. If we do not mention VAT, how will we send a message that something has to give in relation to VAT? Do you have any comment on that, Mr Watters?

Pat Watters: Certainly. As you heard previously from Police Scotland, it is the only police service in the country that pays VAT, and we are the only fire service in the country that has to pay value-added tax to provide emergency services to communities. As a matter of fact, for every £1 that one of your constituents pays, we provide them with 80p of service. If that was happening in Tesco, Morrisons or Marks & Spencer, there would be an outcry about it. It is not right or fair, and we should do something about it. We should provide the full £1 of service to our communities, not a 20 per cent reduction on that.

Gil Paterson: Thanks for putting that on the record.

Elaine Murray: We have discussed the issue with the Scottish Police Authority, and I understand that it received funding from the police reform allocation to assist with the VAT bill. Has the Scottish Fire and Rescue Service had the same sort of treatment?

Pat Watters: No.

Elaine Murray: You have had to find all the money and there has been no reform allocation.

Pat Watters: Yes.

Christian Allard: I want to go back to the pressures of recruitment. What is the situation with the age of service personnel? Do we have younger firefighters or do we still have a problem with that? You say that you have pilot programmes—there is one in the north-east, for example. I hope that the downturn in the oil and gas industry will help with that. What about gender balance? Are you progressing in the right direction on that?

Alasdair Hay: The Fire Brigades Union's comment on the age profile of the fire and rescue service relates to changes to the pension schemes and the fact that firefighters will have to work longer. The union questions whether firefighters can maintain the fitness levels to do a physically demanding job as they progress through their 50s and perhaps into their 60s. That is the concern that the FBU has expressed in relation to an ageing workforce. It does not have anything specifically to do with recruitment. When people who are as old as I am joined the fire service, they had to be under 30 to join, but that clearly raised age discrimination issues and those regulations were removed. The job is now open to people from 18 to any age at which they can demonstrate the competences that are required to be a firefighter. Our processes encourage people from the full spectrum of ages.

We also use positive action initiatives to encourage people from underrepresented groups to apply. However, because we are not recruiting in any great numbers, we are not seeing any significant change in the profile. At present, only 4 per cent of our operational workforce are women. As we are recruiting low numbers, we will not in the short term see any significant change in that profile, but that is not because the fire and rescue service is not committed to giving everybody a fair and open opportunity to join. We use all the best practice recruitment techniques so that, as new people come in, the profile will, we hope, change.

I also suggest that changing the offer of the fire and rescue service will make a difference. There are great opportunities for us to make a bigger contribution to the health and social care agenda. Professor Sir Lewis Ritchie published a report yesterday that was commissioned by the Cabinet Secretary for Health, Wellbeing and Sport on primary care out-of-hours cover. One of the recommendations in the report is that there should be a more significant contribution, in terms of both emergency response and prevention, from the fire and rescue service.

Changing the offer of what the Scottish Fire and Rescue Service is all about means that our jobs will clearly appeal to a greater diversity of people. We believe that that is another example of investing to save. The evidence from Manchester shows that, for every £1 that the fire and rescue service spends on health and social care, it gets at least £4 back in terms of public value. It is a complex matter, given recruitment issues and ageing workforces, but it cuts across a lot of the areas that we are looking at now in considering the potential for the future and what the Scottish Fire and Rescue Service can do to improve the lives of the people of Scotland.

11:30

Christian Allard: Would you consider some shared budgets with the health and care services and with Police Scotland in the future?

Alasdair Hay: We are already in active discussions. We believe fundamentally that we work for the public, not only through the Fire and Rescue Service but as part of a wider public service, and we have commitments through community planning and other areas where we sit down and look at how the collective resource that we use on behalf of the public can be spent to best effect, so we are always open to such discussions and are actively involved in them at the moment.

Christian Allard: I think that it could help with recruitment, where you seem to have a problem, as you are under a lot of pressure. You spend a lot of money on recruitment and on trying to recruit the right people, and perhaps having a different role for firefighters would help with that.

Alasdair Hay: If you have a diversity of career opportunities in any organisation, you will appeal to a wider group of people. If people within a service get opportunities to grow within their roles and move into other areas, that clearly helps with the retention of staff.

Christian Allard: I am still a bit worried about the pressure on recruitment. We heard last year that, if tomorrow you were to get all the VAT that you are due, you would be able to recruit 350 firefighters, but we know that you would not be able to recruit 350 firefighters because the pressure on recruitment makes it so difficult that you would struggle to recruit 100.

Alasdair Hay: We could easily recruit 350 whole-time firefighters if we had that VAT money. We do not struggle in any way, shape or form to attract whole-time firefighters. The last time that I had figures for it, we had 54 applicants for every single vacancy in the whole-time workforce, and I suggest that that number will have increased. Where we have difficulties is in the retained service in remote and rural areas.

Christian Allard: It is good to hear that you could manage to recruit 350 extra firefighters if needed.

Alison McInnes: There are two areas on which I have questions. First, I go back to the vacancies in the north-east. It is reported locally that staffing is so short that the service is the equivalent of one appliance down. Can you comment on that, and can you say when the board was first alerted to the scale of the staff shortages in the north-east?

Alasdair Hay: We have more firefighters in Scotland than we need for the model of 3,709 that we are moving towards. We absolutely support the policy of there being no compulsory redundancies. We would not have achieved the success that we have had in the reform without the considerable support of the staff representative bodies, and particularly of individual staff members in the organisation. That means that, within a budget, we have to pay all the staff that we have, and if we have shortages in geographic areas it can be difficult to find the resource to pay for that, so we have a balancing act going on there.

The number of people who have exited the service in the north-east has been greater than in other parts of the country because the economy has been so buoyant. I am sure that you would hear the same from the health service and local government and anybody who seeks to employ staff in that area.

We have been doing two things. First, when we ran the recruitment campaign for the national service, we specifically highlighted that the predominance of vacancies would be in the north of Scotland, so even though people lived in Glasgow or Edinburgh, it was clear that that was where we would be recruiting and that new staff would be joining on that basis, and many people relocated up there to join the Fire and Rescue Service. Secondly, we have made judicious use of overtime to ensure that we can keep as many appliances available as possible. However, we are at the point at which we consider that that would not be an economic use of overtime within the north-east of Scotland, so we are going to have a very specific, targeted recruitment campaign for that part of the country.

Alison McInnes: That means that you have been relying very heavily on overtime in the interim. Perhaps that has put lot of pressure on staff.

Alasdair Hay: I would describe it as having a structural deficit in the organisation. We have enough people, but they are not necessarily in the right place. Over the long term, viewing that as four to five years, we will get that structure right.

We are three years into the new service, and I think that the use of overtime to smooth out the demand curve has been a judicious use of resources in the service.

The overtime is voluntary. In the past, the Fire Brigades Union maintained a 25-year overtime ban, so we have operated with and without overtime in the past. The overtime is voluntary and we do not seek to put too much pressure on staff. Many staff members welcome the opportunity of overtime, particularly given the high house prices and other cost pressures in the north-east. However, I do accept that there is a balance to be struck, which is why at this point in time we have taken the conscious decision to do some very specific, targeted recruitment for the north-east of Scotland.

Pat Watters: The board has been acutely conscious of the situation in the north-east of Scotland and the problems that we face there. In fact, we have advertised on six occasions for mechanics to cover our repair base in Aberdeen, without success on any of those occasions.

To add to the point that the chief officer was making, part of the problem is that we have had staff who were given protection over where they worked at the time of transfer, which meant that we could not transfer people outwith the area where they originally worked. However, we very recently come to an agreement with the FBU that within a reasonable area, we can transfer people. That will ease the problem elsewhere and we will maybe see a knock-on effect going up the country. However, that agreement was a major give from the trade unions and we appreciate their co-operation on that very much.

Alison McInnes: That update is helpful. I understand that the situation has become acute and that there are concerns in the north-east about it, so I am grateful for the detail that you have given.

I turn to the assurances that we had during the passage of the Police and Fire Reform (Scotland) Act 2012 from the Scottish Government, which said that it would be for the Scottish Fire and Rescue Service to determine where its headquarters were. There was an announcement last week that the headquarters will not be where your first choice was. Can you tell us some more about the process? When did the Government first ask you to think again about that and have there been any abortive costs from the change of tack on the headquarters location?

Pat Watters: I will respond first, then the chief officer will come in.

When we were looking at where the headquarters should be, we were very clear that we were looking for somewhere within a triangle that took in the centre of Scotland: Perth, Stirling, Falkirk and the surrounding area was clearly ideal. However, when we looked at the facilities that were already there, we found that the service did not have anything suitable that we could have moved into without a major spend for revamping an older building or an existing fire station. When we looked at Government properties within the area, we found nothing suitable. We even looked at sharing with the police in Stirling, but that was not an option for us either.

We therefore opted for a new build and we put forward a project for that. I think that that came at the exact same time as the Westminster Government announced a continuation of the tightening on expenditure. Given that we had been considering spending about £11 million on a new-build property, the Scottish Government asked us to look again, and it relaxed the requirement that we should not use any existing headquarters premises. We understood why that had been asked in the first place.

During the next exercise, we looked at the facility that we have at Cambuslang, which is a first-class facility. It gave us the option to move into an existing building without making any major alteration to it; as a matter of fact very little money would need to be spent to establish it as our headquarters. It seemed to be a really good option. It also freed up some of our capital money that we could use for other necessary projects that we wanted to see developed as an on-going priority.

I will hand off to Chief Officer Hay in case there is anything that he wants to add.

Alasdair Hay: Pat has given a very comprehensive answer. I remind everybody that the Police and Fire Reform (Scotland) Act 2012 said that final approval had to be given by the minister. Our colleagues in the sponsoring department of the Scottish Government worked with us to set the initial criteria for meeting ministerial aspirations, which Pat Watters has just described, during the process.

The operating environment in which we exist moves on. When it comes to the decisions and thinking that were established three years ago, sometimes we have to say, in the light of where we are today, that a more sensible use of public money would be to not spend it in that way but to use it in another way. We fully accept that decision.

Lying behind it was the real desire to make sure that, as a national service, we did not operate in a centralised fashion and that we used the benefits of being a major organisation to offer people not only services but also employment opportunities across Scotland. When we look at the model that

we are setting up, we absolutely want to operate in a decentralised way, so that people at the lowest possible level feel empowered to make the right decisions to improve outcomes.

To break that down into hard numbers, we have 356 fire stations across Scotland. In creating an enabling infrastructure of control rooms, workshops, our headquarters and our service delivery headquarters, we have tried, as best as we possibly can, to create a footprint across the whole of the country. Only 2 per cent of our staff will work within the headquarters. Around 73 per cent of our staff work in fire stations, which leaves about 25 per cent working in all the other locations.

That has been a change, which is understandable given the desire to create a decentralised organisation. When you break down the work locations, you give people opportunity, perhaps in the future, to gain employment with us. We are very much sticking to that principle.

Alison McInnes: My question was also about the abortive costs in the development of the £11 million new-build project. What was spent in working up that proposal?

Sarah O'Donnell: We do not have the exact figures to hand, but we can supply them to you.

I will say that the work that was done in looking at possible options for headquarters included option-appraisal techniques and so on. We have gained quite a lot from that work that we can take into the rest of our organisation, and we can further apply the techniques that have been useful throughout the headquarters process. We also gained information about some of our estate in the areas that we looked at that, again, we will be able to make further use of. It has not all been wasted.

Alison McInnes: Did you get as far as commissioning architects' drawings and planning applications for the new build?

Sarah O'Donnell: We commissioned the first stage of design, which was appropriate to get a costing for the project. We did not go further than that.

Alison McInnes: If we could have the costs, I would appreciate it.

The Convener: Thank you very much. That concludes the questions.

11:44

Meeting suspended.

11:49

On resuming—

The Convener: We move to our next session, and I call Catherine Dyer. Call? You would think I was in court, calling you to the witness box.

Catherine Dyer (Crown Office and Procurator Fiscal Service): I hope that you are not.

The Convener: I welcome Catherine Dyer, the Crown Agent and chief executive of the Crown Office and Procurator Fiscal Service. Thank you for your written submission. We will go straight to questions.

Margaret Mitchell: Good morning. I want to refer to the late submission that we had from the FDA, which raises some issues of concern in the High Court where, last year, 40 per cent of cases—about 240 cases—were indicted less than four weeks before the expiry of the time bar, with the vast majority of indictments happening the day before or on the day. In the sheriff court, only 71 per cent of cases are meeting the target of indictment four weeks before time bar. The FDA makes the point that the national initial case processing unit is under pressure and there are huge staff shortages. The Procurator Fiscal Service is clearly under quite a bit of pressure. Overtime is available, but we must consider the life-work balance.

Catherine Dyer: Life-work balance is something that we are very aware of in relation to our staff.

The indicators that the FDA submission talks about are internal ones. The committee will have seen the report from the Inspectorate of Prosecution in Scotland on the very tight time bars that we have in custody cases and in what we call solemn cases, which are those that have to be heard before a sheriff and jury or in the High Court. The report indicated that we should move towards a performance indicator of indicting at least seven days before the time limit. We have met that for 100 per cent of the cases being indicted. It is always a very pressurised area of work. We have the tightest timescales in the western world for indicting custody cases. As you will know from the rest of the papers, many High Court cases are sexual cases or homicides, where people are not being granted bail, which means that staff have to work to very tight timescales.

I do not accept that the figures that are quoted in the FDA submission mean that we are not dealing with our work properly. We deal with it internally to ensure that we meet the statutory targets. That has happened in 100 per cent of cases.

For initial case processing, which is when summary case reports come in from the police and the decision whether there should be prosecution

action is made, we have set up a new unit to centralise the process in order to take pressure off staff in the local offices, who sometimes had to go between making a decision on cases—what we call case marking—and going to court, which put pressure on them. This year, we centralised that process and it is now based in two locations. In the interim, we have had a transition period and there has been overtime. We had to take one of our essential people out of that service to deal with another serious matter, because he was the best fit. As Alasdair Hay was saying about the Fire and Rescue Service, I would say that we have made "judicious" use of overtime.

We have recruited additional permanent staff this year, which is the first time we have been able to do that for some significant time. I accept that not everything in the garden is rosy, as these are difficult times in which to manage such things, but the staff in the fiscal service are dealing very well with it.

The Convener: Before you go on, can I just check that you have seen the FDA submission, because I know that it was late?

Catherine Dyer: I got it at 12.24 last night. I was not awake at that point, so I read it first thing this morning.

Margaret Mitchell: I got it this morning as well.

The Convener: We just got the submission this morning, too.

Margaret Mitchell: I appreciate that some additional staff are coming in, but it does not seem to me to be sustainable at this level. I understand that trainees are trained up by the Procurator Fiscal Service every year, but they are not retained.

Catherine Dyer: That is not correct. The difficulty for most of us in the public sector is that we do not know what is going to happen in the next financial year until very late on in the old financial year, which does not allow us to plan very much. What we have been trying to do, within the constraints, in order to be ready for what is coming, is to have temporary legal staff until we could be sure that we would be able to afford to make them permanent. We have to carry out open and fair recruitment for those posts, as people would expect. However, a vast number of them are filled by people who were trainees with us. Despite the financial constraints throughout this period, we have not faltered in taking on trainees. It is very important for the whole legal profession in Scotland that, as a big public sector employer, we continue to have not just trainee solicitors but modern apprentices. Over the past couple of years, we have had more than 60 apprentices, most of whom we were able to give permanent positions this year, and we have another 32 starting this year.

Things are not as they were in the heydays when we could always anticipate that public spending in the next year would be more than it was in the previous year, which meant that we could always have a recruitment round that fitted in with our trainees finishing their training and, unless they flunked the interview completely, we could probably give them a permanent post. Those days are long gone, but we have made sure that people who are well versed in what we require in prosecution have the opportunity to apply for fixed-term contracts through fair and open competition. When we know that we have the money to give them permanent contracts, that is what we do.

Margaret Mitchell: I welcome the fact that fixed-term contracts are becoming fewer and that there are more permanent staff, which helps remove the necessity to pay overtime, but it still seems ludicrous to me to train someone and then let them go. Prosecutors do not grow on trees; they have specialist knowledge. It therefore seems like a bit of a waste of money not to keep them on, even on fixed-term contracts, with additional staff being let go and maybe coming back in at a later point.

Catherine Dyer: You might want to speak to the legal profession as a whole, because nobody who trains up trainees can guarantee that they will give them a permanent job at the end of their training. The Crown Office and Procurator Fiscal Service is recognised as a very good trainer. Trainees get an excellent training in our prosecution college, which means that they are well suited to court work anywhere, particularly prosecution work. We are very keen to keep them if we can afford to do so. In the past few years, our record in retaining trainees by giving them fixed-term contracts and then moving quite a number of them on to permanent contracts has been very good for the Crown Office and Procurator Fiscal Service and for the profession. However, that is not to say that it has not been a difficult time to manage staff.

Margaret Mitchell: I want to put this into perspective. When you came to the committee last year, you said:

> "I would not expect you to think that I should ask for things when I do not have work to carry out with them."—[*Official Report, Justice Committee*, 18 November 2014; c 31.]

I got the impression then that, although there were some problems, you were managing quite well. I detect a slight movement this year; there is at least an acknowledgement that there is some pressure on resources and staffing. To what extent is that addressed by the increase in

funding, which is offset by inflationary costs, which I estimate result in about a £3 million shortfall?

Catherine Dyer: All of us who have come to committees from 2010 onwards have come with decreasing pots of money. The reality is that the position gets tougher all the time. Do we have enough money? Are we asking for money? The letter inviting me to the committee today said that our evidence would inform your session with the Cabinet Secretary for Justice. The Crown Office and Procurator Fiscal Service sits completely independently of the Cabinet Secretary for Justice; the Lord Advocate is the minister for the Crown Office and Procurator Fiscal Service and he negotiates directly with the Cabinet Secretary for Finance, Constitution and Economy—the prosecution service has to be independent.

Over the past few years, we have been able to ask for money in year when we have had extraordinary cases that we did not think we would be able to absorb. We have also carried out joint working. Additional funding for that has been confirmed for this year; there is supposed to be funding for the next few years for a work programme to make sure that delays are brought down in summary courts.

We ask for money when we have work to do. As I said when I was at the committee on a previous occasion, no chief executive on earth will come and say that they do not want more money with which to do more things. That is the position we are in. We are trying very hard to make sure that we maintain and improve service delivery against tightening budgets.

The Convener: I call John Finnie, who will be followed by Elaine Murray then Roddy Campbell.

John Finnie: Thank you for your written evidence, Ms Dyer. We also received evidence from Michelle Macleod, Her Majesty's chief inspector of prosecution in Scotland, which contains some startling figures. One is that there has been an increase of 80 per cent in cases of sexual crime reported between 2010 and 2013. In your evidence, you refer to an increase of 50 per cent in the number of domestic abuse charges marked for court. That is against an overall budget cut of 14 per cent between 2010 and 2014. On one level, that is very good news, as the fact that historical cases of child abuse are coming forward shows that there is confidence in the police and the prosecution service. Has anything had to drop off your agenda to deal with that?

12:00

Catherine Dyer: No. As members will be aware, a lot of legislation was passed in the early 2000s, with summary justice reform. That enabled the police and the procurator fiscal to deal with matters without having to bring them to court. There has been a lot of movement of appropriate cases in that direction.

Crime has been falling overall, and a mixture of things have been happening. We have not had to have anything drop off, but we have changed around what our staff are doing. It is a very different job nowadays compared with when I joined in the early 1980s. People are having to deal with the more serious end of casework, and that is what the courts are dealing with. There has been a movement of resource in that we are dealing with things appropriately using fixed fiscal fines or other direct measures, and the police are using the measures that they can use. The number of cases that are reported to us is going down, and we are left with the ones that we all agree need to be dealt with.

John Finnie: I was going to ask about diversion from prosecution. I know that this is a very challenging area, but are you able to predict what will happen? If there has been growth in the number of cases over the past three or four years, which has presumably been built on public confidence in the police and the prosecution service, do you expect that to continue?

Catherine Dyer: We obviously need the prosecution service to be independent—that must be a complete requirement under any proper constitutional position. We work very closely with the police and the courts and all the other justice agencies, and we sit on the justice board. Looking forward is very much what we try to do.

A few years ago, we realised that there was going to be an increase in the number of cases, so we worked with the courts on an additional work programme to ensure that the increase in the number of cases going into court did not cause too many delays for people—the accused, the victim or the witness—in getting their cases to trial.

We think that we are probably now on a plateau and that the present level is the new norm. Will the numbers go up again? So much depends on what it is that engenders public confidence. The inquiry into historical sexual abuse in institutions will take place, but whether that will bring forward more people is yet to be seen. We are currently able to deal with those cases. Our prediction was that we would come to a plateau, and we are sort of there now. We will just have to wait and see whether anything else crops up that prompts people to come forward in greater numbers to report any particular types of crime.

John Finnie: Is there a danger, with alternatives to prosecution, and with our moving, I hope, towards a presumption against short sentences—there will be implications connected with that—that the police might discontinue

reporting matters to you that they should be reporting?

Catherine Dyer: I do not think so. I reiterate that we work very closely with the police, and we share the statistics that they have. We can have a look at things, and we can ask about individual cases. There is a very good understanding between us.

The Lord Advocate is in a particular position that does not apply with the Crown Prosecution Service down south. The Lord Advocate instructs the police about what they have to do with certain types of case. That is enshrined in statute, as well as in the common law.

There is always a sort of quality check going on between us. We quality check that the direct measures that our own staff carry out are appropriate. We sample and we have filters, such that we might comment that a certain charge type does not look right for a certain measure. We can then look at the case. The police do the same thing.

John Finnie: What can the police do short of reporting to you? Are we talking about a system of formal warnings?

Catherine Dyer: Yes. The police can issue formal warnings, and they can issue fixed-penalty notices for certain types of crime. If the committee is interested in that, I am quite happy to provide information about the types of crime concerned. That is all aimed at stuff that could be dealt with outwith a court. We want courts to be there for instances where there is a sentence that can be imposed by a court for a particular offender. We are now, I hope, using courts for what they are supposed to be used for, rather than gumming them up with things that would otherwise be seen as administrative or minor, for which a warning would do.

John Finnie: We are discussing the budget, and there is a prediction that, if there was a move in that direction, the police might say that they need more resources to deal with such matters. Does that approach present a danger that we are sometimes not getting people with formal convictions? That might have implications if they are applying for things down the line.

Catherine Dyer: It would never be used for something significant. However, a warning or a direct measure stays on people's records for two years so, if the person offends again within two years, the police will know that and we will know it. If that person then needs to go to court, we can show the court the history of offending. We have been acutely aware of the issues since legislation was introduced to expand our powers so that fiscal fines can be up to £300 and compensation orders can be up to £5,000. However, if an issue is serious enough, it still has to go to court.

John Finnie: Where does the money from a fiscal fine go?

Catherine Dyer: I think that it goes into the consolidated fund, but I am not sure. It certainly does not go to the Procurator Fiscal Service. We have talked about the impact of the changes. We have to discuss the issues round the table at the justice board. For example, there was an impact on revenue to the court service when it absorbed and became responsible for the district courts, which became the justice of the peace courts. The court service did not get some of the money that the district courts had previously given to councils. We have to be careful that, if we adjust one bit of the system, we are not doing something bad to another bit.

The Procurator Fiscal Service relies entirely on the grant from the parliamentary budget. That is it—we have no other revenue source. We are not like the Scottish Courts and Tribunals Service, which can ask people to fill out forms and pay a fee, or the police, which can gain money from different sources, such as events. However, the Procurator Fiscal Service relies entirely on the grant from the parliamentary budget.

The Convener: Would it not look unseemly if fiscal fines went straight back to the fiscal service and were a little revenue source?

Catherine Dyer: Very much so. We do not want to incentivise criminalising people, which is how that might be characterised.

John Finnie: I was not encouraging that approach.

The Convener: No, but I just wanted to make it plain that it would not be a good idea.

Elaine Murray: Your submission and the late submission from the Procurators Fiscal Society describe a number of additional pressures, including

"the prioritisation of domestic abuse and stalking cases, house breaking cases, abuse in institutions and the requirements of the Victims and Witnesses Act."

Given that the pressures are increasing but there is not much expectation that your budget will also increase, what efficiency savings have you been considering?

Catherine Dyer: We have been doing a lot of work on that. Since 2008, we have anticipated that there will be an ever-tightening amount of public sector money. The COPFS has done a lot of work on our digital strategy—I have to say that we are world leading on that. The system in Scotland now allows for electronic transfer from the police to us and we can then electronically transfer work

around the COPFS. Earlier, Mr Hay talked about the need to have the right people in the right place. We have solved that to an extent by being able to move work electronically. That is why, in the new initial case processing set-up, we can move work that would traditionally have had to be done in individual offices to a centralised place where people are doing nothing but that and so are getting very quick and efficient at it. That is the kind of efficiency that we have been looking for.

Obviously, we have moved out of some buildings and have made a lot of savings from that. However, we have to have a presence in every single place where there is a court, so that is where the fiscals' offices are. We have a common facilities management service with the Scottish Courts and Tribunals Service, which has provided substantial savings of about £250,000 a year while improving buildings. We have a building in Glasgow at the moment that is getting solar panels and having the windows renewed. The business case for that shows that it will provide a substantial saving by preventing heat from going out of the building.

Really, we are looking at anything and everything.

Elaine Murray: In your written submission, you say that your

"room for manoeuvre is becoming much more limited."

Will you expand on that?

Catherine Dyer: As I said to Mrs Mitchell, as things get tighter, there will come a point when we really do not have much room for manoeuvre. We have had a lot of legislation, all of which is welcome, that aims to progress things for victims and witnesses. Obviously, we have to constantly look at how we move resources about and what we need. We have a workforce planning group that is trying to anticipate what the service will look like in five or 10 years to ensure that we have the right people, because prosecutors do not grow on trees.

There are a lot of other areas where we think that we have done what people would expect, in relation to cold cases and double jeopardy, for example. It does not matter how old a homicide case is; if we can get sufficient evidence, we will be looking for evidence with the police in order to get closure for families. It is tight. It is a crowded landscape with a lot of things that I do not think anybody would want us to give up, and we have no plans to give up anything at the moment, but we are working hard to ensure that is the reality.

Elaine Murray: I am not suggesting that you should give up doing anything, but what happens when you run out of room to manoeuvre?

Catherine Dyer: In that situation, we would have to say that we cannot go ahead without discussing whether there is something further that we can get. We have done that in a number of big, sensitive cases, and cases such as Lockerbie keep taking resources. It is a moveable feast and you never really know from one year to the next what the developments are going to be. That is the kind of situation where we would come back and say, "We need more money for this," and that has been given in years past.

Elaine Murray: You get that from the justice board—

Catherine Dyer: No, the Lord Advocate goes to the Cabinet Secretary for Finance, Constitution and Economy.

The Convener: Some of the legislation that we have put through, such as the statutes that you have mentioned concerning victims and witnesses, have put additional pressures on the system. Even the current bill on domestic abuse and sexual offences on the internet will add again to the pressure. Based on your experience, would you say that the Government's financial predictions are realistic for the workload that comes to you?

Catherine Dyer: We have the opportunity to put in financial memoranda estimates of the impact on us. In some years, the expectation has been that we should absorb that, and in some years we have done so, but in other years we have had to say that we cannot do so and that we cannot take on the additional workload without additional funding. It is right that the public should expect us to spend every pound as well as we can, and it was interesting to hear what the witnesses from the Scottish Fire and Rescue Service said about that, but the trick is to try to prioritise things, to move things around and to have systems that are more efficient. Our initial case processing is a good example of that. We have fewer people working on it, but they are doing nothing else and they are very targeted, so they are quicker. They have special screens that would cost a fortune and would not be necessary throughout the country, but we have them in the two places where we do that work.

We have a shaping the future programme, in which we are looking at the specialisation route, because that is where we have found that we have made savings and improved quality. It has been a success story for us so far, and that is how we have managed to deal with quite a lot of the things that have come along. If we can make things better for victims and witnesses and if we can make people feel confident about turning up at court and giving evidence, that will make the whole system work better. We recognise those things as being helpful overall.

The Convener: I am thinking of the bills on trafficking and all the other stuff that we have put through, all of which impacts mostly on the police and on the Crown Office and Procurator Fiscal Service, but so far, so good.

Catherine Dyer: So far, so good in that we have managed that workload. As we go forward, it will depend on what comes in through the door. It is demand led, to some extent, and there may be things that we have dealt with but did not put the labels on before, so that does not create too much of an increase in work, but there are other things that are definitely new. If we are trying to improve the service that we give to victims and witnesses, we really need to get better at what we are doing, and that takes resource.

Roderick Campbell: Most of my questions have been answered, but I would like to ask about the High Court cases. I refer to my entry in the register of interests as a member of the Faculty of Advocates. There has been a 9 per cent decrease in the past year. Now that we are halfway through the current financial year, has that trend continued? What is happening in the High Court now?

Catherine Dyer: What is happening in the High Court is that more cases are going to trial now. Some of that is because of the nature of the offending. At the moment, we think that more than 70 per cent of the cases that are going into the High Court are sexual offending cases. That is very different from what happened in my youth, when such cases were at most 25 per cent of the total. It has now got to a point where that is the business of the High Court, apart from homicides, so dealing with those cases is a challenge for the police, for us and for the Scottish Courts and Tribunals Service and the judiciary. People do not tend to plead as readily to sexual abuse charges as they do to other things. One of the things involved is testing the witnesses. That is part of the dynamic; some of it is about not wanting to face up to it.

At the moment, I know that there is undoubtedly pressure on the High Court in terms of the number of cases. We have the highest number that we have ever had in history of advocate deputes and Crown counsel in the Crown Office and Procurator Fiscal Service, so we are well versed in what we need for that, but it is just the time that cases are taking to go through court, because so many of them are going to trial.

Roderick Campbell: So that 9 per cent decrease is not going to be replicated this year.

Catherine Dyer: I do not think so, but that is something that we regularly meet the Scottish Courts and Tribunals Service to discuss, so I will check and come back to you if it is a different answer.

Alison McInnes: Has the federated system that you set up bedded in and has it made you some savings?

Catherine Dyer: It has. Our purpose has been to protect the front line, because that is what matters to the people of Scotland, and I think that you will see from the statistics that we have given for the reduction in senior civil service posts that we have put in further posts at a more local management grade. We have been listening to our staff and partners, and we think that we have lost a bit in terms of the local effect. That happened because we went ahead and anticipated the Police Scotland move, and everybody now is trying to do a rebalancing act. That is part of our shaping the future programme. We have a local court project, because that is an important part of the system, and that is what people identify the fiscal service with. We need to make it clear who is carrying out that role and where they are carrying it out, and we need to move as much as we can to be dealt with away from that, so that we can leave those offices to deliver in local summary courts and local sheriff and jury courts. We already have a system where the High Court is a national one, and our shaping the future programme is looking at a move towards keeping the federations but specialising more in managing the functions, so that there is more emphasis on local court delivery as an absolute management priority.

The Convener: Thank you very much. That concludes our evidence session. Any additional written evidence that you can give us will be very useful. We can clarify that through the clerks what we are seeking, as they have been taking notes.

12:16

Meeting continued in private until 12:40.

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