

Digital Directorate

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Scottish Government
Riaghaltas na h-Alba

Directorate of Internal Audit and Assurance

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Richard Leonard MSP
Convener
Public Audit Committee
Scottish Parliament
Edinburgh

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Dear Mr Leonard

MAJOR IT PROJECTS – PROGRESS REPORT

Thank you for your letter dated 30 October 2025.

Summary of changes table

We have noted and acted on the Committee's request which has been implemented in the Autumn Major IT Projects Report 2025.

Scottish Fire and Rescue Service – New Mobilising System

In response to: **Can you provide an explanation for the increase in the figures for the cost of SFRS's new mobilising system?**

The press release on 12 November 2024 reflected the contract cost as awarded to Motorola. This figure is not the same as the project whole-life cost (WLC), which is requested and reported on through the Major IT Projects Report. The cost of the contract, in this case, is the largest percentage of the WLC but it is not the whole cost - which is the total cost of the New Mobilising System (NMS) over its 10 year lifespan, including initial purchase price (contract price), implementation costs, operating and maintenance expenses, and end-of-life disposal costs.

The November 2024 WLC figures (£38.98m) were based upon the NMS Outline Business Case, when the report published in November 2024 was commissioned, this is what was available. Shortly after this the NMS Full Business Case was approved and these WLC figures (£40.99m) are reflected in the May 2025 submission.

The WLC set out in Outline Business Case are taken from estimates based on market engagement, prior to the Invitation to Tender being issued and are therefore only indicative costs. The WLC in the Full Business Case are based on the tender return from the identified preferred bidder and are therefore known costs. Our current budget tracking and projections expect that the WLC will be delivered within the £40.99m budget.

In response to: **The Committee asks for an update on the progress that has been made in the recovery of costs by SFRS from Systel since the termination of the contract in December 2022.**

SFRS terminated the Services Agreement with Systel for a Command and Control Mobilising Solution (CCMS) on 07 December 2022. Termination was based on SFRS's determination of breach of contract by Systel due to persistent failures. As a result of the failures to implement the CCMS, SFRS incurred significant losses which it would require to recover via litigation for recovery of damages.

Prior to termination, in November 2022, Systel had advised of their financial position with outstanding debts and their decision to place the company into the French equivalent of voluntary administration, under the protection of Redressement Judiciaire (RJ). The protection of the RJ process required SFRS (together with all other debtors) to lodge all losses which occurred before voluntary administration as part of the RJ proceedings raised within the French Court administration process in the Commercial Tribunal at La Rochelle, France. The Tribunal thereafter would determine a repayment plan for creditors.

At the Commercial Tribunal SFRS's claim was contested. The case was then continued to allow the parties to meet and discuss the claim, allowing potential for the parties to reach settlement. Settlement was not able to be agreed despite efforts on SFRS's part and a hearing date was set for 25 March 2024 to determine if SFRS's claim should be included within the repayment plan. At the hearing the Tribunal found against submitting SFRS's claim into the repayment plan. SFRS then appealed the decision to the Appeal Court in Poitiers, France. A hearing was held on the 06 May 2025. The judgment delivered later on the 01 July 2025 again found against including SFRS's claim within the repayment plan.

Throughout the court process and despite the negative outcomes, SFRS's French legal representatives have advised the French Court are not the competent Court to consider the merits of the claim in dispute and advised SFRS has a strong claim to request the French Courts to refer the merits of the claim to be considered by the competent court in Scotland, as the applicable jurisdiction in terms of the contract between the parties, in order to allow the Scottish Courts to determine the case. SFRS have been advised this is an option for Courts to take under French Law and is the correct approach to take in terms of relevant case law. SFRS's French legal representatives have advised SFRS to apply to the Cour De Cassation for the Court to verify if the law has been correctly applied and thereafter for further determination on referring the claim to the Scottish Courts.

SFRS is currently considering next steps to take in relation to claim raised in France. In addition, SFRS has served an action against Systel in the Court of Session. Once a decision is made on which steps to take in France, this will determine what further steps will be taken in Scotland.

Yours sincerely

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