Criminal Justice Committee
Wednesday 12 November 2025
30th Meeting, 2025 (Session 6)

Scottish Fire and Rescue Service (SFRS) – Pre-budget Scrutiny [Panel 2]

Note by the Clerk

Introduction

1. Each year, subject committees in the Parliament carry out pre-budget scrutiny in advance of the publication of the Scottish Government's budget for the forthcoming financial year.

2. The aim is for the committees to collect evidence on spending priorities and make recommendations to the relevant Cabinet Secretary before the Scottish Government finalises its budget.

3. The Committee held its first 2026/27 Pre-Budget Scrutiny oral evidence session on 5 November when it took evidence from Police Scotland and the Scottish Police Authority.

4. At this evidence session the second panel of witnesses the Committee will hear from today are:

   - **Stuart Stevens**, Chief Officer, Scottish Fire and Rescue Service
   - **Andy Watt**, Deputy Chief Officer, Scottish Fire and Rescue Service, and
   - **Sarah O'Donnell**, Deputy Chief Officer (Corporate Services), Scottish Fire and Rescue Service

5. At subsequent meetings, the Committee plans to hear from other organisations within the criminal justice sector and then from the Cabinet Secretary for Justice and Home Affairs. Thereafter, the Committee will produce a short report with its recommendations.

6. The written submission that has been submitted from the above organisation is set out in **Annex A** to this paper.

7. Other relevant written submissions received by the Committee that may be of interest include:

   - Fire Brigades Union (Scotland)
   - His Majesty's Fire Service Inspectorate in Scotland (HMFSI)

Focus of the Pre-budget Scrutiny

8. As with last year, the focus of the Criminal Justice Committee is a general one on the financial pressures on organisations in the criminal justice sector.

9. Of particular interest to the Committee is the pressure on capital budgets and investment in policing, the fire and rescue services, prisons, courts, community justice, criminal social work and the third sector.

Action

10. Members are invited to discuss budget matters with the witnesses at today's meeting.

Clerks to the Committee
November 2025

ANNEX A: SUBMISSIONS RECEIVED

SUBMISSION FROM THE SCOTTISH FIRE AND RESCUE SERVICE

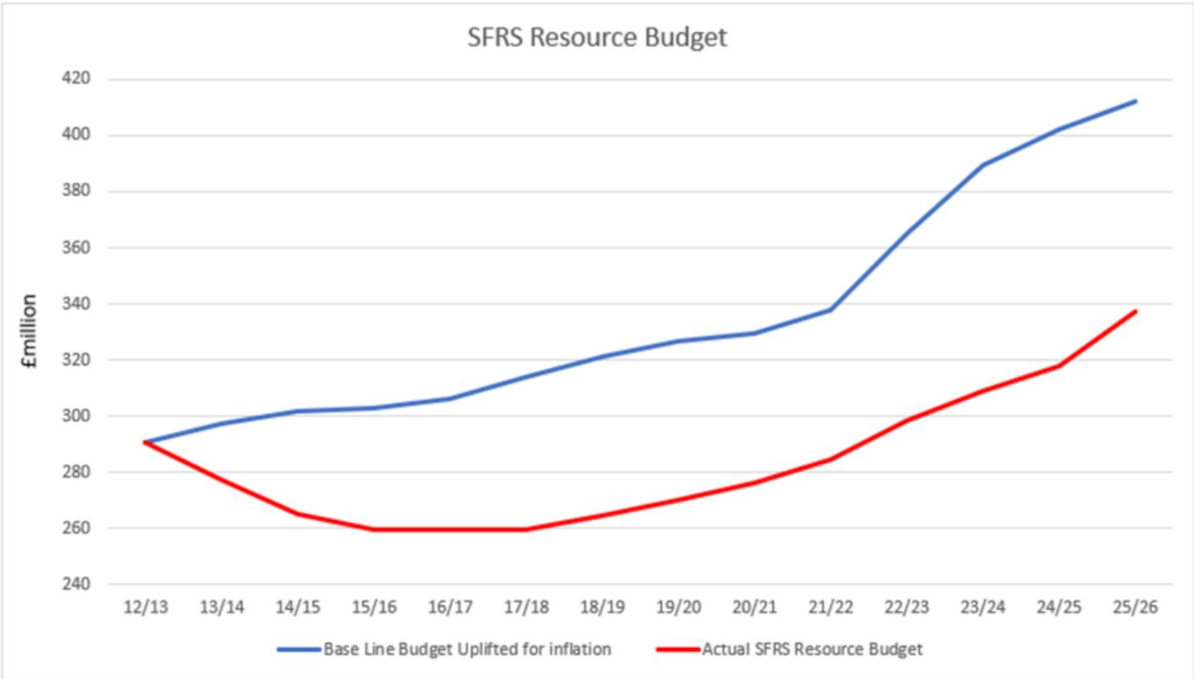
Introduction

The Criminal Justice Committee has sought information regarding the financial pressures facing organisations in the criminal justice sector, and the main priorities for 2026/27. The Committee has highlighted its particular interest in the pressure on capital budgets.

Financial Pressures Facing the Scottish Fire and Rescue Service

SFRS is an exemplar model of public service reform, delivering efficiencies, improving performance and outcomes, and providing equitable access to services and specialisms across all the communities of Scotland.

Since the creation of the Scottish Fire and Rescue Service (SFRS) in 2013, there has been a **cumulative real terms reduction in the Resource budget**, that is required to run the organisation, of **18%**.



Particularly in the early years, the Service has been able to operate within these funding envelopes by driving out efficiencies, through rationalisation and reducing duplication. As a result, as previously reported to the Committee, we are on track to deliver over £900m in savings from reform by 2027/28, substantially exceeding the £328m set out in the Financial Memorandum to the Police and Fire Reform (Scotland) Act.

ANNEX A: SUBMISSIONS RECEIVED

We have achieved these savings through a combination of reductions in the Target Operating Model (TOM) for wholetime firefighters, across frontline, off station and specialist roles, reduction in supervisory, middle management and senior officers; rationalisation of Control Rooms from 8 to 3; rationalisation and removal of duplication within corporate support functions, and rationalisation of our non-operational property estate.

Over this period, we have **continued to enhance community safety**, with an overall reduction in fatal fire casualties since 2013 of c.9% and non-fatal casualties of c.48%. The number of fires has reduced by c.9%, whereas the number of non-fire incidents attended has increased by c.75%, in areas such as flood response and assisting other agencies, highlighting our contribution to wider outcomes.

In more recent years however, we are seeing that **ongoing financial restrictions are damaging our corporate capability**; undermining our ability to meet our statutory responsibilities and be ready to respond to emerging risks and challenges, primarily those resulting from climate change and the wider geopolitical situation, whilst ensuring we have a workforce that is safe, trained and reflective of the leadership and culture we aspire to.

We have been forced to make short term cost reductions to balance our budget, which are unsustainable. For example, in 2025/26 we removed £2.6m from non-employee cost budget lines including fuel, utilities, travel and subsistence and professional fees, and budgeted for a 10% vacancy factor in support staff. These are proving challenging to deliver and have removed almost all flexibility from the budget to respond to emerging pressures.

Our ability to manage change, including making strategic investments to enable longer term savings, is made more challenging because we cannot carry financial reserves and are limited to working within annualised budgets. This makes long term change and reform increasingly difficult.

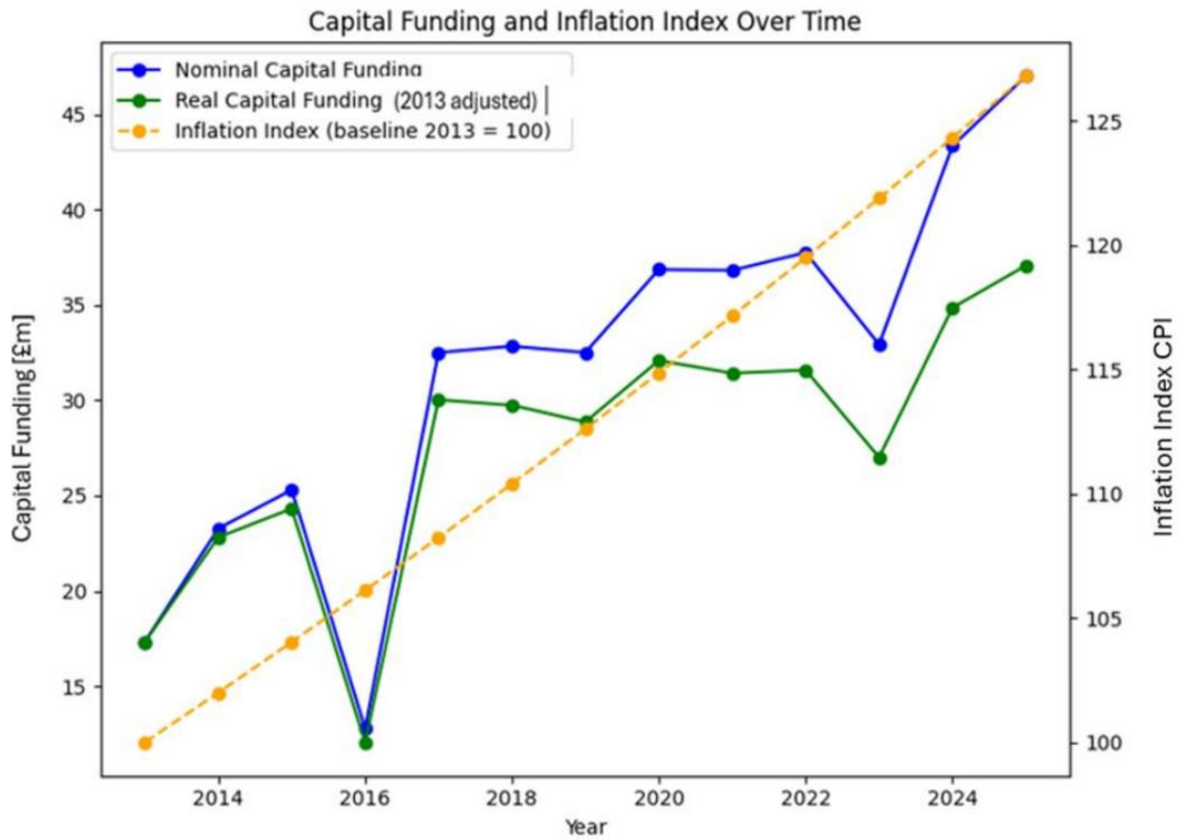
Equally, while legally having borrowing powers, as set out in the Police and Fire Reform (Scotland) Act 2012, we cannot exercise those powers without Ministerial approval, which is not forthcoming as any borrowing we incur counts against the SG borrowing requirement. This makes strategic financial planning and investment more difficult than necessary for an organisation of our size and complexity.

The challenge is exacerbated by the acute shortfall in capital investment. We currently estimate a backlog of approximately **£818 million** across our estate, fleet, equipment, digital technology and business systems to bring all assets up to the required standard. Of this, our estate alone requires around **£496 million** investment to address significant challenges, as some buildings are no longer fit for purpose. The lack of capital investment creates added pressure on our resource budget due to higher maintenance and repair costs of aging assets.

ANNEX A: SUBMISSIONS RECEIVED

While there has been a welcome increase in the Capital budget over the past two financial years, this remains insufficient to address the investment requirement. Additionally, the purchasing power of capital funding in particular has been eroded by the sustained impact of high inflation, with certain spend areas experiencing cost pressures well beyond CPI, for example construction costs.

The chart below shows the relative purchasing power of our capital funding over time, when measured against CPI inflation. The yellow line shows that CPI inflation has increased by 27% since 2013, meaning that the purchasing power of the 2025/26 budget (£47m - blue line) is 27% less than it would have been in 2013 (£37m - green line). Where inflation rates exceed CPI, this is further exacerbated.



The consequence is clear: fewer projects, delayed improvements, and reduced impact for the same nominal investment, with a fundamental inability to tackle backlog maintenance.

Changing Risk and Demand

The demands placed on the Service are changing, adding to financial pressure.

SFRS plays a crucial role in preventing, preparing for, and responding to the current and future risks of Scotland. The **National Risk Assessment** (2025) rightly highlights increasing risks in relation to malicious acts, climate related events and societal disorder. We are also seeing, nationally, the increasing use of fire as a weapon.

The risk Scotland faces from **wildfire** has grown exponentially. The total number of wildfires attended by SFRS in the first 8 months of 2025 is around 60% higher than any previous full year, largely within rural areas served by on-call firefighters. In line with our organisational Purpose, we respond to this growing risk in partnership with others, particularly through the Scottish Wildfire Forum, adopting a prevention-led approach. To enable us to respond when these fires occur, we have had to prioritise investment in new equipment and training for our firefighters; and as oncall firefighters are paid based on activity, our payroll costs in this area are significantly more than budgeted.

Combined with the training requirements of new risks, including wildfire and severe weather events, the reduction in the number of accidental dwelling and non-domestic fires has correspondingly reduced the operational exposure of firefighters to these types of incidents, leading to **fewer opportunities for experiential learning**. As a result, there is a heightened need for more frequent and enhanced practical firefighting training, which requires more instructors and the development of local training facilities.

The **Grenfell Tower** Inquiry has led to regulatory pressure on fire and rescue services through new fire safety legislation and a shift in emphasis on fire safety culture, particularly concerning high-rise buildings.

To enable these recommendations to be addressed, alongside those arising from the **Cameron House Fatal Accident Enquiry**; to meet the requirements arising from other legislative changes, such as **short term lets**; and to resource the significant increase in **formal investigations** and associated legal processes relating to non-domestic premises, in accordance with the Fire (Scotland) Act 2005, SFRS requires to strengthen its fire safety team, by increasing the number of fire safety officers and fire safety engineers. Investing in this area is necessarily long-term, as it takes many years to become a skilled, qualified, competent Fire Engineer.

Organisational Challenges

Alongside external pressures, there are several organisational factors, some societal or based on decisions beyond our control, others because of extended budget pressure that cannot be sustained.

The impact of the Pension Remedy has accelerated the retirement of experienced firefighters, leading to a significant **proportion of our operational workforce being in development** or early in service. This shift underscores the critical importance of strengthening and enhancing our training provision to ensure firefighters are adequately prepared to manage complex and risk critical incidents

ANNEX A: SUBMISSIONS RECEIVED

These requirements are directly linked to our statutory obligations under the **Health and Safety at Work Act**, our commitment to serving the communities of Scotland, and our overarching duty of care to safeguard firefighter safety.

Demographic changes within society, for example population decline in certain areas and modern employment patterns, where people are often commuting much further from home, **have reduced local availability of on-call firefighters**, who represent just under half of our operational workforce, and crew c.80% of our fire stations, primarily across rural Scotland. An additional £4million is being invested annually in revised terms and conditions, determined at UK level, providing greater employment flexibility and helping to attract a more diverse pool of candidates. To maximise the value of this change, address other barriers, and strengthen operational resilience, SFRS has deployed a dedicated team and oversight group through its OnCall Improvement Programme. Further investment, particularly in training infrastructure and the expansion of flexible crewing models, will be needed to fully embed these improvements.

The Service has taken decisive action to reduce firefighter exposure to harmful fire contaminants, investing £3.2 million in enhanced PPE, cleaning processes, and infrastructure upgrades. Over 2,000 additional PPE sets are now available via 35 reserve hubs, supported by new decontamination protocols, airing racks, and laundry systems. These improvements, trialled successfully in Inverness and Ayrshire, are backed by training and a robust Standard Operating Procured (SOP) developed with the Fire Brigades Union.

However, to embed these measures consistently across all stations and training sites, further investment is essential. Sustained funding will ensure every firefighter benefits from safe, modern facilities and practices that protect their long-term health.

We require to enhance and extend the development of **leadership and management capability** within the organisation, as part of a wider cultural improvement programme, recognising the recent loss of experience and wider sectoral challenges in this area. While we are committed to adopting multi-channel delivery models, an element of this will require to be provided in-person and be managed around operational shift systems.

The budget for support staff, which includes non-operational employees delivering community safety work, youth engagement activities and programmes, operational communications, fleet support, driving instructors, civil contingencies etc. as well as corporate services staff, is underfunded due to **an unsustainable 10% vacancy factor** that is now baked in. Benchmarking through the Scottish Government and Cabinet Office, as well as our own internal audit activity, shows that our structures are particularly lean and lack resilience, impacting on the wellbeing of staff, and ultimately on the resilience of our frontline service delivery.

ANNEX A: SUBMISSIONS RECEIVED

In 2020 we set an ambitious **Carbon Management Plan** to reduce our carbon emissions in line with statutory requirements. We have been unable to deliver on this due to insufficient funding.

Priorities for 2026/27

SFRS has published an ambitious Strategy 2025-2028, setting out our vision;

to be a leading, sustainable, modern and technologically advanced fire and rescue service that is fit to meet the challenges of Scotland's future.

We have committed to pursuing five Service Objectives, with associated Outcomes. Within this, is a range of deliverables that we believe are essential to enable us to continue to meet our statutory obligations and enhance the safety and wellbeing of people throughout Scotland:

Service Objective	**Outcome**
Safer Communities through Prevention	Through our work with communities and other organisations, the safety and wellbeing of the people of Scotland improves.
Safe and Effective Response	We are an effective and trusted Fire and Rescue Service where our communities and people are safe.
Investing in our People	Our people feel valued and are supported by a culture that embraces diversity and inclusion, empowerment and accountability.
Improving Performance	Our organisational performance, productivity and resilience continually improve.
Innovation and Investment	We are more innovative and achieve sustained investment in our technology, equipment, estate and fleet, making us more effective and efficient.

SFRS will require additional investment in the following key areas to deliver on this Strategy:

<u>Pay and pensions (Resource)</u>

- Realistic funding to support inflationary pay uplifts
- Local Government Pension Scheme Employer Contribution increases – Operations Control and Support Staff

ANNEX A: SUBMISSIONS RECEIVED

- Reduce support staff vacancy factor to 3% • Flexible crewing arrangements to support availability in rural and remote areas served by on-call firefighters

- On-call activity related payments, driven by the increase in climate related activity

Training and development capacity and facilities (Resource and Capital)

- Additional instructor capacity

- Increased footprint of training facilities for breathing apparatus and other core skills, particularly supporting firefighters locally in rural and remote areas.

- Incident Command training

- Specialist training capacity to respond to climate change incidents (wildfire and flooding) and national resilience risks linked to National Risk Assessment outcomes

- Leadership and culture development capacity

Operational Estate (Capital)

- Redevelopment and reconfiguration to address contaminates risk

- Provision of dignified facilities – the Supreme Court judgement reinforces the importance of moving towards single-occupancy, gender-neutral facilities

- RAAC remediation work

Prevention (Resource)

- Additional community safety advocates

- Dedicated Event/Emergency Planning team

- Additional fire safety officers and fire safety engineers

- Investment in Research and Development opportunities

Operational Fleet, Equipment and Technology (Capital)

- Renewal of national resilience assets

- Replacement and enhancement of breathing apparatus

ANNEX A: SUBMISSIONS RECEIVED

- PPE designed for wildfire response and other emerging risks
- Additional equipment and vehicles to respond to climate related incidents
- Modern technical equipment such as drones to enhance our response capability and safeguard our personnel
- Approved Civtech initiatives to support firefighter safety

<u>Corporate Systems and Technology (Resource and Capital)</u>

- Digital, Data and Technology Strategy (DDaTS) - to safeguard SFRS against escalating cyber threats, enable data-driven decision making, and support transformation. Without sustained funding, the Service faces immediate risks to security, reduced operational efficiency, and increased costs in delivering reform. This aligns with the Scottish Government's digital and public service reform priorities.
- Training scheduling and programming - to ensure training is centrally coordinated while being delivered locally in the most effective and efficient manner across Scotland. A more structured and systemised approach to training scheduling will enable the Service to better align resources, reduce duplication, and ensure consistency in the delivery of critical operational training.
- On-line training systems - Whilst practical training remains the cornerstone of firefighter development, a more holistic 'blended learning' approach is key to developing and maintaining knowledge and skills in a modern fire and rescue service. Investment in online training systems is vital to ensure personnel can learn and develop risk-critical decision-making in a safe and controlled environment.
- Corporate business systems – we require to replace our finance, people and payroll systems as these have reached the end of their contractual term. We are exploring the option of sharing these systems, however, whether we proceed on this basis or alone, we will require to invest in the change.

Realignment of Capacity

To support the delivery of our Strategy, we have set out an ambitious Strategic Service Review Programme (SSRP) to enable us to better align our existing resources and capacity to build a sustainable and effective Service for the future, that enhances the safety and wellbeing of people throughout Scotland.

ANNEX A: SUBMISSIONS RECEIVED

SSRP will focus on providing firefighters with modern, safe, and dignified facilities, fleet, technology and equipment to enhance community and firefighter safety, how and where we deliver our services from, and ensuring our corporate services are as efficient and effective as possible.

As a key component of SSRP, we have been consulting with communities, over the summer months, on our Service Delivery Review (SDR), setting out 23 change options, involving more than 30 community fire stations across Scotland, to reshape our station and appliance footprint and duty systems to match operational resources with risk and demand. It will address the 10-pump temporary appliance withdrawals that were necessary due to significant budget pressure in 2023. The consultation exercise will close on 16 September, and our Board are due to decide on the change options in December.

The options for change, if implemented, will enable us to make savings, over time, in both our resource and capital budgets for re-investment back into the Service, prioritising prevention activities, training and tackling the capital backlog in our estate around contaminant control, dignified facilities and RAAC roofing.

But on its own, that **reinvestment will not fully meet the cost and demand pressures we face** to meet our statutory responsibilities and deliver the strategic Outcomes we have set out. This will require new investment.

Opportunity to Invest to Save across the wider System

Beyond core responsibilities, and ensuring that these are properly funded, there is an opportunity to invest in expanding the role of firefighters.

We fundamentally believe that, in direct support of the Scottish Government's Public Service Reform Strategy, SFRS can do more for the communities of Scotland through the delivery of innovative operational response, prevention and preparedness interventions. The business case that supports this sets out the significant economic and social value that would be gained across the wider system. We strongly believe that as a Service we can alleviate pressures on other public bodies and deliver integrated services that improve the safety and wellbeing of the people of Scotland.

As the business case sets out, delivery of this would require additional ringfenced investment to appropriately train and equip firefighters to take on such role, as well as the required investment to renumerate firefighters.

ANNEX A: SUBMISSIONS RECEIVED

Forward Financial Plans

Capital

Capital investment requires significant forward planning and procurement, particularly in relation to our estate. As such we set a rolling three-year capital programme and develop plans over a 5-year period. The following table summarises our detailed capital planning over the next 5 years, based on essential spending and assuming a gradual uplift in funding towards the annual requirement. There is an opportunity to partially offset the total funding requirement in 2026/27 with capital receipts from the disposal of assets, albeit this would be dependent on Scottish Government permission and the timing of sales:

Category	2026/27 (£M)	2027/28 (£M)	2028/29 (£M)	2029/30 (£M)	2030/31 (£M)
Property	40	40	42	44	46
Fleet	9	10	11	12	13
Operational Equipment	8	10	8	9	10
Digital & Technology	4	6	12	12	8
Total	**61**	**66**	**73**	**77**	**77**

The total requirement to 2030/31 is £354 million across all spend categories. If our annual budget were to remain at £47million over the next 5 years, this would result in a gap of £119 million.

Resources

As the Committee is aware, c.80% of our Resource Budget is spent on employee costs, of which 80% relates to operational employees. These can be further analysed as: 66% Whole Time (WT) Firefighters, 3% Control Firefighters and 11% On Call Firefighters. We have no further plans to reduce workforce numbers given the reform journey the Service has been on since 2013 and the workforce reductions that have already been made.

Given this, and the range of short-term savings we have had to make in the last four years, any further financial shocks to our budget could only be managed via unplanned reductions in our total staff numbers.

We have highlighted that our support staff budget is already insufficient to fund the posts that we require to function as an organisation. Similarly, training and operational support capability requires to be bolstered, not reduced, to ensure we

ANNEX A: SUBMISSIONS RECEIVED

can meet our health and safety obligations and prepare SFRS to respond to new and emerging risks, including the prevalence of severe climate related incidents.

Any workforce reduction required to balance the budget would require a corresponding reduction in service delivery. This would require to go beyond the options we have identified through the evidence-based Service Delivery Review and could impact negatively on community safety. Our medium-term financial model shows that a saving of £1million would require the removal of 24 wholetime or 120 on-call firefighter posts.

It must be noted that our ability to reduce the number of Firefighter posts is limited to the level of natural attrition in the workforce, given there are no mechanisms to make firefighters redundant. We would require to immediately halt all recruitment, which would impact immediately on service delivery, resulting in a significant overspend on overtime to maintain operational cover, until changes could be made to the operating model through public consultation.

These practical considerations are highlighted to make the point that the means through which we can act to make such savings, if required, are limited and will invariably take time to achieve.

Conclusion

SFRS recognises that the Scottish Government (SG) has the unenviable task of balancing public finances and faces tough choices when it comes to funding public services.

However, we believe that investing in SFRS will bring added value for Scotland, ensuring the Service continues to deliver a safe, effective, and resilient emergency service, responds to new and emerging risks, continues to lead the way in wider system reform, alleviating pressures elsewhere in the system, and contributes to improved outcomes for communities.

Our success to date has been achieved through careful management of change and innovation, that is forecast to result in savings of over £900m in just over a decade. But continued real terms budget reduction is not sustainable, the Service needs new and sustained capital and resource investment.

Without this, we risk having to rely on further in-year savings to balance our budget, which would cause irreparable damage to the organisation and mean we could not guarantee current levels of community safety. We are doing everything we can through our change and innovation programmes to avoid this outcome.