Working together for a safer Scotland

SCOTTISH FIRE AND RESCUE SERVICE

Working together for a safer Scotland

ANNUAL REPORT AND ACCOUNTS 2023/24

Safety. Teamwork. Respect. Innovation.

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PERFORMANCE REPORT

CHAIR'S WELCOME

It is my pleasure to introduce the Scottish Fire and Rescue Service (SFRS) Annual Report and Accounts for 2023/24. The purpose of this report is to provide assurance and insight on our progress over the year.

This year has seen us continue to plan, assess, and develop our working practices to ensure that we continue to deliver a world leading emergency service to our communities.

We reviewed our Annual Operating Plan to strengthen our approach to planning by including a Three-Year Forecast of activities, as well as information on our formal change activities. The 'SFRS Three Year Delivery Plan', is a rolling plan which clearly outlines the Service's priority activities for the period. This provides increased detail of our actions to communicate more widely what we intend to do over the time span of the Strategic Plan. Additionally, the development process has improved our business and resource planning through increased collaboration and oversight across Directorates.

Another focus of 2023/24 has been preparing for change against a challenging financial background.

Despite the additional funding awarded by the Scottish Government, significant review and planning exercises were carried out to identify the efficiencies required to achieve potential savings options.

The Service expects to experience ongoing cost pressures, which alongside the challenges facing public sector funding, will mean substantial savings are likely to be required over the coming years. We will require to remain agile and reform-focused in responding to an uncertain fiscal environment with the aim of ensuring services contribute strongly to Scotland's National Outcomes; maximise public value; and achieve our ambitions as set out in our Long-Term Vision and our Strategic Plan 2022-25.

To help us manage the demands arising from changing community risk across Scotland and to meet other change pressures, a programme of change proposals is being developed under our Strategic Service Review Programme (SSRP). The programme will look to examine how we can evolve and improve the Service, whilst working within the organisational constraints we face and the options available to us to meet our strategic objectives in the most effective and efficient manner.

Regardless of these significant challenges, we have continued to make progress on critically important areas of the Service. Our people have continued to show dedication and commitment throughout these unprecedented and challenging times. Moving forward, we will continue to face challenges head-on, we will continue to adapt and evolve and to focus on addressing the social, health and economic conditions that lead to inequality.

The membership of the Board of the Scottish Fire and Rescue has also seen change over the last reporting year. In July 2023, members Lesley Bloomer and Nick Barr resigned, and I would like to thank them both for all the work that they have carried out over the years.

In December 2023, we welcomed four new Board members – Andrew Smith, Madeline Smith, Neil Mapes and Therese O'Donnell. I was delighted to welcome such a diverse wealth of talent, experience, and knowledge to the Board.

The Service has a proven track record of delivering public value and our Board will continue to play a role in governance, scrutiny, and transparency.

Although there have been some challenges, it gives me a great sense of pride to look back over the reporting period and see just how much we have contributed to keeping the people of Scotland safer. This document recognises the countless activities and achievements that have been made by our dedicated workforce.

KIRSTY DARWENT
Chair
Scottish Fire and Rescue Service Board

31 October 2024

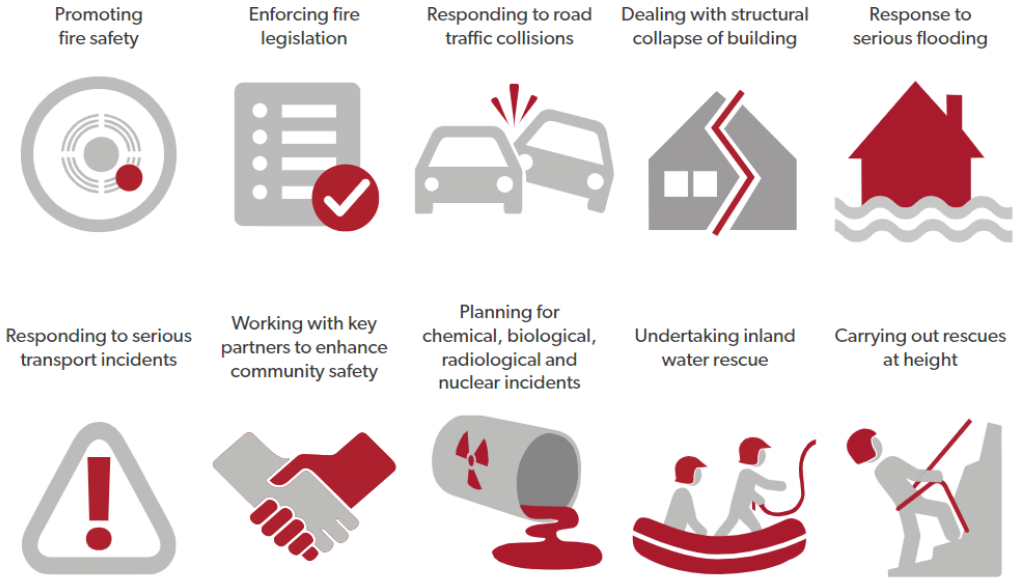
PERFORMANCE OVERVIEW: ABOUT US

The purpose of the Performance Overview section of this report is to provide a summary about us. We tell you about our purpose and the Strategic Outcomes we work towards to achieve that purpose. You will be able to read about the progress we have made against our Outcomes, as well as the key risks we face and manage as an organisation.

Who we are and what we do

The Scottish Fire and Rescue Service is the world's fourth largest Fire and Rescue Service. We are committed to ensuring the safety and wellbeing of the people of Scotland. We were established as a single national service on 1 April 2013 by the Police and Fire Reform (Scotland) Act 2012. Our primary statutory responsibilities are directed by the Fire (Scotland) Act 2005, as amended by the Police and Fire Reform (Scotland) Act 2012 and by the Fire (Additional Function) (Scotland) Order 2005.

These pieces of legislation lead us to go beyond our key role of responding to fires and other emergency incidents. You will also find us undertaking the activities below to keep people safe in communities across Scotland:



Our Purpose

The SFRS has a duty to work with other public services to contribute to the Scottish Government's purpose and the National Performance Framework (NPF) and its 11 National Outcomes. In support of the NPF, the Fire and Rescue Framework for Scotland 2022 sets out the Scottish Government's specific purpose and operating context for the SFRS with seven strategic priorities representing the high-level ambition of what is required from a modern, skilled and dynamic fire and rescue service.

Our purpose, as defined by Scottish Ministers in the Fire and Rescue Framework, is:

"To work in partnership with communities and with others in the public, private and third sectors on prevention, protection and response to improve the safety and well-being of people throughout Scotland."

Our Strategic Outcomes

To help us to achieve our purpose and enhance our contribution to the National Performance Framework, our Strategic Plan 2022-25 is aligned to the Fire and Rescue Framework for Scotland 2022 and the seven Strategic Priorities identified within it.

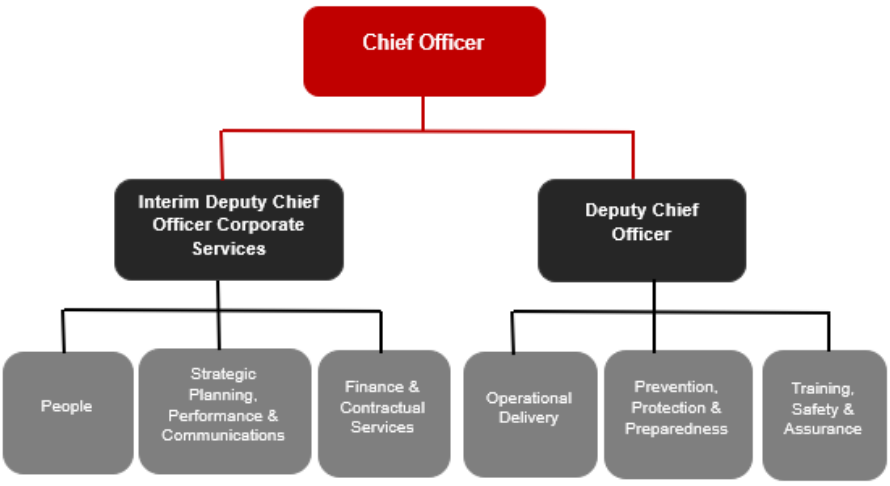
Mirroring these, the SFRS Strategic Plan 2022-25 outlines seven Strategic Outcomes which will drive our performance for the next three years:

OUTCOME 1 →	Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.
OUTCOME 2 →	Communities are safer and more resilient as we respond effectively to changing risks.
OUTCOME 3 →	We value and demonstrate innovation across all areas of our work.
OUTCOME 4 →	We respond to the impacts of climate change in Scotland and reduce our carbon emissions.
OUTCOME 5 →	We are a progressive organisation, use our resources responsibly and provide best value for money to the public
OUTCOME 6 →	The experience of those who work for SFRS improves as we are the best employer we can be.
OUTCOME 7 →	Community safety and wellbeing improves as we work effectively with our partners.

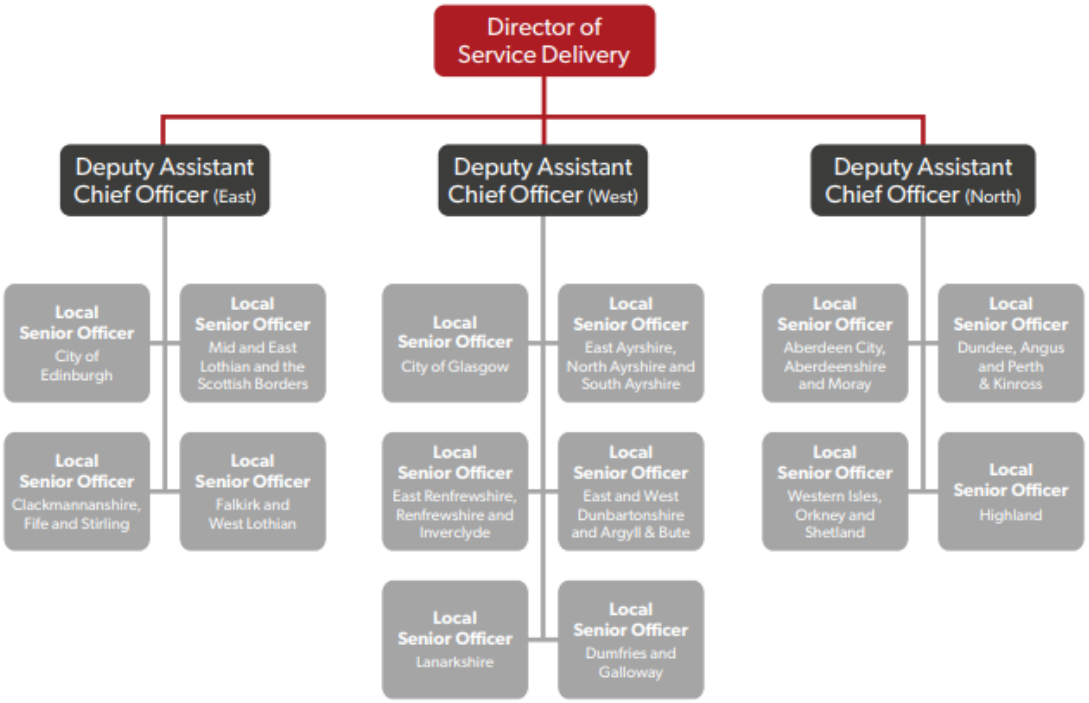
Our Organisational Structure

In delivering our services, strategic direction is provided by our Board who closely scrutinise our actions to ensure we are delivering services in an effective and efficient way against the strategic priorities. The day-to-day delivery of our activities is the responsibility of our Strategic Leadership Team.

The Strategic Leadership Team are led by the Chief Officer, Deputy Chief Officer, and Interim Deputy Chief Officer of Corporate Services. They are further supported by six members, each of whom has responsibility for one of our Directorates:



Our 14 Local Senior Officers and their teams work closely with all 32 local authorities and are fully committed to supporting each Community Planning Partnership and other local partnership arrangements. These local teams balance the national direction outlined in our Strategic Plan against local needs by tailoring services through Local Fire and Rescue Plans, and by contributing to Local Outcomes Improvement Plans and other local partnership plans such as those for Community Justice and Health and Social Care Integration.



Our prevention, protection, preparedness, and operational delivery response services are delivered through 356 community fire stations across Scotland. These are supported by a single national training establishment, two regional training sites and several local training facilities, three Operations Control Centres, three modern Service Delivery Area Headquarters, four strategically placed Asset Resource Centres, an ICT Data Centre, and a fleet of over 1,500 vehicles.

PERFORMANCE OVERVIEW: KEY RISKS

The most significant risks identified by the SFRS are reported through Directorate risk registers, with additional information identified through Project risk registers. Prioritisation of each risk is undertaken in line with the SFRS's risk assessment matrix, with guidance provided to staff around probability and likelihood ratings.

Individual meetings with Board Members and the Strategic Leadership Team have shaped the Register, increasing awareness and ownership of risk across the SFRS.

Risk update reports are provided quarterly to the Audit and Risk Assurance Committee, all other Committees and Executive Boards highlighting the Services most significant risks.

Risk Registers are aligned to the SFRS Strategic Plan 2022-25 Outcomes, reflecting the Service's values and strategy, ensuring our work supports the priorities outlined within the Fire and Rescue Framework for Scotland 2022.

The tables below provide information on the SFRS risk matrix:

Risk Level	Risk Score	Risk Description
Very High	16 – 25	Unacceptable level of risk with additional measures required to terminate, transfer or treat the risk to a more tolerable level. Risk will be subject to risk spotlights by Committee and Executive Boards
High	10 - 15	May be tolerable where assurance is provided that control measures are in place, operating effectively and subject to regular monitoring. Risk will be subject to risk spotlights by Committee and Executive Boards
Medium	4 – 9	Tolerable level of risk where control measures in place are subject to monitoring by Directorate. Risks will be subject to risk spotlights where appropriate.
Low	1 – 3	Acceptable level of risk monitored at a functional level and considered for inclusion within directorate risk registers.

Probability	**Almost Certain (5)**	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5
Risk Matrix		**Negligible (1)**	**Low (2)**	**Medium (3)**	**High (4)**	**Very High (5)**
		Impact				

The Service's most significant risks, at the time of reporting, are as follows:

Directorate Risk	Risk Rating	Description
Cyber Security	20	There is a risk that we will be unable to maintain adequate levels of Cyber Security to avoid any breach due to lack of resources/ skills or appropriate policy and process being in place. This could result in failure of access to or stability of systems affecting SFRS activity.
Core Funding	16	There is a risk that the Service may be unable to secure levels of funding required to achieve its strategic objectives. Additional pressure has been placed upon government finances causing uncertainty over future funding settlements. This could result in delays to agreed and future projects requiring a resetting of the Services objectives.
Supply Chain Shortages	16	There is a risk that the significant supply chain shortages will be experienced in relation to the supply of commodities for construction, fleet and ICT equipment because of a lack of global manufacturing capacity as a result of Covid-19 and global conflicts. This will result in delay to projects specified within the capital programme and potential increases in both capital and revenue costs as demand outstrips supply.
Pension Related Actions	16	There is a risk that the People and Finance teams are unable to effectively support the significant number of concurrent Pensions related exercises and associated implementations due to competing priorities and capacity constraints, and not receiving timely information and engagement from the Scottish Public Pensions Agency resulting in lack of clarity and discontent for employees, and potential legal challenge and / or employee relations issues resulting in delays, employee discontent , uncertainty over procedures and entitlements, and financial disadvantage.
Health and Safety Legal Compliance	16	There is a risk of not being able to demonstrate legislative compliance because of gaps identified in risk control measures, management arrangements and alignment with recognised standards resulting in potential criminal/civil litigation, and reputational damage.
Staff Resourcing and Capability	16	There is a risk of insufficient resources within Safety and Assurance to meet the changing needs of the service due to the impact of new and emerging organisational priorities, failure to attract and retain suitably qualified and experienced candidates etc. This may result in reduced engagement with employees, an inability to enhance the delivery model to complete the 2022-26 Health and Safety Strategy, criminal/civil litigation, and associated financial and reputational cost, adverse scrutiny and an impact upon the well-being of staff.
Training Facilities	16	There is a Directorate risk, of an inability to maintain or improve our training delivery due to the limited finance /budget available for capital investment, condition and location of our Training Estate and therefore lack of access to appropriate facilities, which could result in current and future negative impact on currency in operational skills & capacity and associated legal, regulatory, compliance, financial and reputational cost.
Overspend of Expenditure	15	There is a risk to the Service where the forecasted financial position exceeds Departmental Resource Expenditure Limits (RDEL) set by Scottish Government, caused by an overspend of expenditure in the current financial year. This could result in adverse publicity of the Service within media and an inability to provided required Services aligned to the Services Strategic Plan. In addition, it could lead to negative external scrutiny for SFRS's Accountable Officer through Audit and Risk Assurance Committee (ARAC) and potential escalation by Scottish Government and our external auditors to the Public Audit Committee.
Command and Control Mobilising	15	There is a risk of failure to mobilise to an incident due to a technical failure of the existing mobilising systems. As a result, we would be failing to meet our statutory duty and also potentially bring reputational damage to the Service.
Resources and Capacity	15	There is a risk that the Directorate is unable to deliver against stated commitments and ambitions, due to limited resources and capacity whilst responding to concurrent events, and in light of the constraints brought about by the strategic resource spending review. This could result in a lack of ability to deliver, impacting on the support and delivery performance as a Directorate across the wider SFRS.
Delivery of Strategic Change	15	There is a risk of the Directorate being unable to embed Strategic Change capabilities across the SFRS as a result of organisational constraints that limit critical resource capacity and capability both within the Portfolio Office and across SFRS functions, which includes the necessity to further develop and build the skills and competencies that are required of a Strategic Change function. This could result in a number of consequences for SFRS which would include our ability to deliver change on time and within budget and to quality standards

Risks will be managed collectively by the Strategic Leadership Team with each Director responsible for the creation, monitoring and integration of risk within their functions.

Scrutiny and assurance, as to the adequacy and effectiveness of controls, is undertaken through quarterly reporting to the Audit and Risk Assurance Committee and the Strategic Leadership Team and annually through the SFRS Assurance Framework process. To ensure a consistent approach, additional reporting to Committees of the Board, and Executive Boards, will continue to be undertaken where deemed appropriate through spotlighting specific risks.

This consists of risks being selected from the register by the Committee or Executive Board and then presented through a combination of written or verbal reports, thus enabling scrutiny bodies to seek wider assurance that all necessary work is being undertaken to mitigate these wherever possible.

PERFORMANCE OVERVIEW: CHIEF OFFICER'S SUMMARY OF PERFORMANCE

Our Performance Against our Strategic Outcomes

Despite the challenges we have faced this year, we have continued to work to keep the communities of Scotland safe and deliver against the Outcomes of our Strategic Plan. A summary of the KPIs is shown after each Outcome.

Outcome 1:	Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.

We believe that preventing problems from arising is better than dealing with them when they occur. As such, our prevention role has remained of critical importance, and we have continued to work to help people and communities stay safe enabling us to support work addressing wider inequalities. This has included visiting some of the most vulnerable members of our communities, working closely with our partners to deliver targeted safety campaigns and engaging with at risk groups within our communities across Scotland.

As well as our prevention measures to support the public and households, our work to protect Scottish businesses and non-domestic premises has continued and we want to ensure that we have the capacity required to continue to develop this important part of our role.

Significant work was undertaken to implement changes to our response to fire alarms in commercial business and workplace premises. This involved our Operations Control teams challenging calls originating from an Automatic Fire Alarm System (AFA) activation in premises where there is no sleeping risk to ensure the call is not a false alarm. This innovative approach, implemented from 1 July 2023, has recorded a significant reduction in the number of Unwanted Fire Alarms attended. Between 1 July 2023 and 31 March 2024, by challenging AFA activations, we did not require to attend 14,372 incidents. This reduction has resulted in multiple benefits for the Service and communities, including increased capacity of Wholetime Firefighters to deliver prevention activities and prepare for emergencies. There has also been a reduction in blue light journeys, decreasing road risk for staff and the public.

Our Performance in Numbers – Outcome 1

Total Number of KPIs for Outcome 1:		11	
Improved:	8	**Deteriorated:**	2
Unchanged:	1		

Outcome 2	Communities are safer and more resilient as we respond effectively to changing risks.

Our commitment to maintaining a strong presence across Scotland to help communities prepare for and recover from emergencies remains a fundamental focus. Together with our partners, we have continued to assess risks, prepare for, and respond to emergencies or significant threats or events.

This year, to enhance the availability of On Call appliances across Scotland and provide an additional staffing option should a forecasted or unforeseen deficiency result in an On Call fire appliance being unavailable, we piloted the Bank Roster Scheme across six of our Local Senior Officer Areas. This initiative involves the use of On Call staff, and if necessary Wholetime Duty System staff, who wish to be considered for additional paid bank shifts at other On Call fire stations within their area. The pilot is currently being evaluated in preparation for formal adoption across the Service area.

Ensuring that our firefighters are trained is critical to effective service delivery and protecting the safety of our operational personnel. To make sure that we have a more flexible, effective, and efficient training delivery model, a full review of operational training was undertaken, and a subsequent restructure took place. This review further led to the publication of the new Training Vision and Strategy 2023-2028 which ensures that a blended learning approach to training, meets the training needs of the organisation and verifies that our staff are suitably trained to safely respond to incidents.

Ensuring that our operational personnel have the right equipment and vehicles to keep them safe and carry out their varied role, we made changes to vehicles, equipment and infrastructure including the procurement of a contract to build up to 80 medium weight rescue pumps; the continued rollout programme of battery powered rescue equipment; the deployment of 60 thermal imaging cameras and further £100,000 investment in the project; the continued provision of fire hoods and smoke curtains ensuring that every frontline appliance has access to this equipment; the investment of £125,000 in new Personal Protective Equipment (PPE) for Flood First Responder (FFR) teams; and the provision of options for the replacement of three Command Support Units (CSU).

Our Performance in Numbers – Outcome 2

Total Number of KPIs for Outcome 2:		20 KPIs with 24 results	
Improved:	18	**Deteriorated:**	6

Outcome 3:	We value and demonstrate innovation across all areas of our work.

During 2023/24, we have worked alongside partners on a range of modernisation initiatives including the introduction of Digital Fireground Radios and our work as part of the Emergency Services Mobile Communication Programme. To help improve processes we continued to look at new ways to approach things including work to address ongoing challenges of recruiting and retaining our critical On Call firefighters. This has included trialling a modular programme of training delivery; exploring local practical selection and fitness testing; and adopting a bespoke recruitment and training pathway to assist On Call Firefighters migrate to the Wholetime Duty System (WDS).

Our Performance in Numbers – Outcome 3

There are currently no Corporate Performance Measures for Outcome Three. Instead, we measure this through narrative reporting. You can find out how we do this in our Performance Management Framework 2023/24.

Outcome 4	We respond to the impacts of climate change in Scotland and reduce our carbon emissions.

As a trusted emergency service, we have been on the front line in responding to the impacts of climate change including extreme weather events which have led to flooding and wildfires. We have continued to deliver our Wildfire Strategy to develop and enhance our wildfire capability, including significant investment in vehicle and training to ensure firefighters have the tools they need to manage wildfires effectively and safely.

As well as responding to the impacts of climate change, we are committed to reducing and limiting our own carbon emissions. Work that has been undertaken included a successful bid for grant funding to support pre-capital decarbonisation studies for a select number of sites as part of a Scottish Green Public Sector Estates Decarbonisation Scheme (SGPSEDS) 'Pre-Capital' project; the introduction of our first electric fire appliance to operational duty; and increasing our electric powered light fleet.

Our Performance in Numbers – Outcome 4

Total Number of KPIs for Outcome 4:		8	
Improved:	3	**Deteriorated:**	2
Unchanged:	2	**Data Limited:**	1

Outcome 5	We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

We are committed to being a fully accountable and progressive organisation and aim to maximise our public value by using our resources responsibly, delivering a high quality, sustainable fire and rescue service for Scotland and providing best value for money to the public through our commitment to managing our finances responsibly.

To help us manage the demands arising from changing community risk across Scotland and to meet other change pressures, a programme of change proposals is being developed under our Strategic Service Review Programme (SSRP). The programme will look to examine how we can evolve and improve the Service, whilst working within the organisational constraints we face and the options available to us to meet our strategic objectives in the most effective and efficient manner.

Three significant changes have been implemented during 2023/24: the temporary withdrawal of 10 appliances; a reduction on the number of High Reach Appliances deployed from 26 to 16; and moving to dual crewing for both fire and water rescue at Polmadie.

In anticipation of several future new major change projects, extensive work has been undertaken to review and update existing practices to ensure improved governance of all projects and to build effective project management methodology that fits the needs of the SFRS.

Our Performance in Numbers – Outcome 5

Total Number of KPIs for Outcome 5:		13	
Improved:	5	**Deteriorated:**	4
Unchanged:	1	**Data Limited:**	3

Outcome 6	The experience of those who work for SFRS improves as we are the best employer we can be.

Undoubtedly our most important asset continues to be our people and without their dedication and professionalism, we would simply not be able to continue to protect the communities of Scotland. Our commitment to protecting the health, wellbeing and safety of our people has remained of critical importance. We strive to be the best employer we can be, putting the physical and mental health of our people at the forefront and continuing to work in partnership with our representative bodies to ensure the safety and wellbeing of the public and our people.

In 2023/24, we undertook several initiatives in support of Scotland's Fair Work Approach that defines work which offers effective voice, fulfilment, opportunity, respect, and security. These initiatives included the finalisation of the 2023/24 Support Staff Pay Settlement; engagement on continuous improvement of Support Staff Job Evaluation arrangements and guidance; introduction of a package of benefits support colleagues with their financial wellbeing; the launch of a Colleague Experience Survey to help in the development of an SFRS-wide culture plan; and the launch of the Safecall tool for staff which strengthens our zero-tolerance approach to bullying, harassment and discrimination by providing a confidential reporting line where staff can voice their concerns freely and without fear.

Our Performance in Numbers – Outcome 6

Total Number of KPIs for Outcome 6:		13 KPIs with 21 results	
Improved:	14	**Deteriorated:**	5
		Data Limited:	2

Outcome 7:	Community safety and wellbeing improves as we work effectively with our partners.

Partnerships are vital to ensure that we perform at our best in all that we do, particularly in these financially challenging times.

During 2023/24 we developed the third 'SFRS Working in Partnership' document providing examples of over 60 active partnerships, and which features some of the wide-ranging partnership and collaborative activities that have taken place throughout 2023/24 and highlights opportunities to share innovation and best practice throughout the SFRS.

Teamwork is one of our core values and we remain fully committed to Community Planning, working with partners such as Police Scotland, the Scottish Ambulance Service, Local Authorities, Health Boards, the third sector and community groups throughout Scotland to improve the wellbeing of communities and the safety of our firefighters.

Our Performance in Numbers – Outcome 7

There are currently no Corporate Performance Measures for Outcome Seven. Instead, we measure this through narrative reporting. You can find out how we do this in our Performance Management Framework 2023/24.

Our Financial Performance

The format of the Accounts is set by the Government Financial Reporting Manual (FReM). One of the reporting requirements is that Grant in Aid (GiA) provided by the Scottish Government is included in the General Reserve of the Statement of Financial Position (SoFP) rather than in the Statement of Comprehensive Net Expenditure (SoCNE). All other income and expenditure is included in the SoCNE. The deficit for the period is transferred to the General Reserve and is funded by GiA held there.

The cash GiA drawn down in financial year 2023/24 was £351.650 million for both resource and capital purposes against a cash Departmental Expenditure Limit (DEL) budget of £337.296 million (compared to £335.966 million drawn down against budget of £328.147 million in 2022/23). The variance of £14.354 million is due to the timing of receipt of the VAT reclaim from HMRC and from variations in the working capital requirements due to changes in year-end creditors and accruals.

The key measure of financial performance is the comparison of expenditure against the DEL funding provided by the Scottish Government, which is accounted for on an accruals basis. The Net Resource Expenditure variance for the year ended 31 March 2024 reflects an overspend of £0.930 million relating to a combination of factors, shown in the table below and subsequent narrative. Note 22 to the Accounts provides further explanation on performance against Scottish Government budgets.

	Outturn £000	Budget £000	(Over) / Under £000
Employee Costs	248,005	247,366	(639)
Operating Costs, including Loss on sale of assets	59,612	58,931	(681)
Income	(2,310)	(1,920)	390
Total	**305,307**	**304,377**	**(930)**

The requirement to account for unused holiday at the end of the financial year, combined with changes to when holidays fall for Firefighters working shifts was the most significant element of the employee cost overspend. In addition, increased training activity and price increases for accommodation also contributed to this overspend. These overspends were partly offset by savings within all the staff categories with the implementation of the new policy to address unwanted fire alarm signals (UFAS) resulting in a significant reduction in cost for On-Call firefighters.

Operating Costs overspent mainly as a result of increased property related costs including utilities, rents, service contract and rates.

There was an over recovery of income mainly due to grants received in respect of electric vehicle charging points and the recovery of costs incurred at major events that the Service supported. These over recoveries were partially offset by an under recovery of income caused by delays in processing applications for firefighters that have completed their modern apprenticeship scheme.

The Capital DEL budget of £32.725 million (£34.913 million in 2022/23) was fully spent (£0.002 million underspent in 2022/23).

The SoFP shows net liabilities of £2.350 billion (£2.620 billion in 2022/23), a decrease of £0.271 billion. The significant difference between the two years is mainly due to actuarial gains of approximately £270 million experienced during 2023/24 (£2.2 billion in 2022/23) in relation to the Pension Schemes that the SFRS participates in.

The substantial value of net liabilities is mainly due to the inclusion of liabilities related to defined benefit pension schemes required by International Accounting Standards (IAS) 19. These liabilities will fall due in future years and will be financed by grant funding from the Scottish Government. Budgets have been approved for financial year 2023/24 and the it is expected that these approvals will be granted in the future. These Accounts have therefore been prepared on a going concern basis.

The Accounts are prepared on an accruals basis, meaning transactions are matched to the period in which they occurred, not when physical cash transactions took place. This results in accounting adjustments, such as accruals and prepayments, and also in relation to pensions as required by International Accounting Standards (IAS) 19 – Employment Benefits. These are reflected in Total Comprehensive Net Expenditure before Grant from the Scottish Government of £80 million for financial period 2023/24 (Net Income of £1.8 billion in 2022/23), as shown in the Statement of Comprehensive Net Expenditure (SoCNE) in the Annual Accounts section of this document. The main factor contributing to the change of £1.9 billion between the two years is the impact of IAS 19 Pension Costs charged to the SoCNE.

The accounting policy on employee benefits is detailed in Note 1. The Remuneration and Staff Report provides detail of pension related benefits for senior employees. The most significant element is the impact of future pension liabilities which is explained further in Note 13 later in the Accounts. The key risks relating to financial instruments (credit, liquidity, and market risks) are discussed in Note 22.

You can read more information on financial performance in the Annual Accounts section.

Non-current asset revaluation

Non-current assets (including land, buildings, vehicles, operational equipment and ICT equipment) are revalued regularly to ensure their carrying value is not materially different from their fair value but at least every five years as a minimum. Under the 5 year rolling programme of valuations, 59% of the land and buildings portfolio was revalued during 2023/24 by the Service's in-house valuer which is a significant undertaking. The Accounts reflect the outcome of these revaluations.

Reinforced Autoclaved Aerated Concrete (RAAC)

In common with other UK organisations, the use of RAAC panels has been found in 14 Stations within the SFRS portfolio. A regular inspection regime is in place to monitor any deterioration in condition, and all have been re-surveyed in line with recently issued revised guidance with each RAAC plank being individually assessed. These were identified in financial year 2019/20 and an initial impairment review carried out with the impact incorporated at that point into the Accounts. Impairment reviews have been carried out each year since.

Capital Programme

The total Capital budget for 2023/24 was £32.923 million, consisting of £32.725 million in Scottish Government Grant in Aid (GiA) budget and £0.198 million in receipts from sale of assets.

Expenditure was fully spent within budget. Key projects in 2023/24 included:

- £0.2 million incurred on completing the Cambuslang Asset Resource Centre (ARC), providing a modern and state of the art facility to replace aged workshops and stores in Cowcaddens and Hamilton.
- £3.2 million was spent on improving dignified facilities in 4 operational Community Fire Stations.
- £6.9 million was spent on improving the condition of a number of Community Fire Stations.
- £0.8 million was spent on de-carbonisation projects throughout the Service.
- £8.7 million was spent on a variety of replacement, new and in-production vehicles, covering aerial platforms, light and medium weight appliances and light fleet.
- £8.3 million was spent on ICT infrastructure, communications improvements and equipment.
- £3.4 million was spent on operational and personal protective equipment.

Efficiencies

The budget incorporated the need to generate approximately £11 million of efficiencies, of which approximately £6 million were staff related, including temporary changes to the Wholetime operating model, vacancies in Support and On Call Staff plus the continued impact of the amended approach to responding to automatic fire alarms (AFAs) and a reduction in ill-health retirements. The remainder was split between property costs, supplies and services, transport costs and an over-recovery in income.

We trust that you find this report insightful, and it provides sound evidence of our commitment to progressing the Strategic Outcomes of the SFRS Strategic Plan 2022-25 and, in turn, the priorities within the Fire and Rescue Framework for Scotland 2022.

Ross Haggart
Chief Officer
Scottish Fire and Rescue Service

31 October 2024

PERFORMANCE ANALYSIS

The purpose of the Performance Analysis section of the report is to provide a more detailed view of our performance. There are two sub-sections:

- Target Results - which looks at a range of our key performance indicators; and
- Our Performance and Activities – which looks at the activities we have carried out in support of our Strategic Outcomes.

PERFORMANCE ANALYSIS: TARGET RESULTS

This section summarises the progress the SFRS has made against key performance indicators (KPIs) of our Performance Management Framework.

From 2023/24, Committees of the Board monitored progress of this full suite of performance indicators together with other informative data through Quarterly Performance Reports. For further information, full performance data is available in our annual Statistical Bulletins. These bulletins are published on the SFRS website to provide a comprehensive account of data regarding fire and rescue incidents, as well as fire safety and operational activity.

We have adopted Statistical Process Control and long-term target setting for quarterly reporting, prioritising sustained improvement over traditional annual targets and RAG statuses, which can misrepresent true performance both due to natural variability and seasonality as well as the ambition of the target.

**** Any data provided throughout this report is provisional. Verified data is published in both annual statistical returns (Fire Safety and Organisational and Fire and Rescue Incident Statistics) at the end of August and the end of October each year. Verified data will be included in our Annual Report and Accounts which will be published in December 2024****

Outcome 1: Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.

	KPI	Target	2021/22	2022/23	2023/24	Narrative
1	Number of fires in non-domestic buildings (as defined in Part 3 of Fire (Scotland) Act 2005)	Reduce against previous year	1506	1550	1423	This figure has **improved** as part of a long-term trend.
2	Number of deliberate primary fires	Reduce against previous year	2419	2503	2316	The figure has **improved** but within normal variation.
3	Number of refuse and vehicle fires by motive	Reduce against previous year	9834	9756	8821	This figure has **improved** within normal variation.
4	Number of fire fatalities by property type	Reduce against previous year	40	43	43	Fire fatality numbers remain consistent with previous data. We continue to apply post incident multi agency case conferences to assess and identify causes and common trends and initiate relevant safety messages across the community and with partner agencies based on that insight (Statistics | Scottish Fire and Rescue Service (firescotland.gov.uk)).
5	Number of fire casualties by property type[1]	Reduce against previous year	555	595	553	This figure has **improved** as part of a long-term trend.
6	Number of Home Fire Safety Visits conducted	50,000 annually	44152	38644	35833	This figure has **deteriorated** further from target as part of a longer-term trend. The manner in which a required HFSV is arrived at has changed over the last 12 months since the target was first set. Similar to other UK FRS, there is an increased focus to reach those most at risk (most vulnerable). The Prevention, Protection and Preparedness function have also pointed to reduced capacity being a concern through appliance withdrawals, incident training requirements and extended visit times.
7	% Home Fire safety Visits conducted for vulnerable groups	Increase against previous year	51.0	39.4	40.9	The figure has **improved** but within normal variation.
8	% Home Fire Safety Visits from partner referrals	Track (2023/24 is required to set a baseline)	27.8	29.0	32.1	The figure has **improved** but within normal variation.
9	Number of fire safety audits completed in accordance with Fire Safety Enforcement Framework	100% of premises identified within the Local Enforcement Delivery Plan (LEDP)	5543	6598	7531	This figure has **improved** back to pre-covid levels.

10	Number of accidental dwelling fires by severity type	Reduce against previous year	4193	3870	3807	This figure has **improved** as part of a long-term trend.
11	% of accidental dwelling fires classed as "High Severity"	Reduce against previous year	6.8	6.6	7.4	This figure has **deteriorated** beyond normal variation. The actual number of 'high severity' fires has not deteriorated, only the percentage figure which is a proportion. Dwelling fires in Scotland continue to fall year-on-year, but the largest proportion of these incidents are low and medium risk. This means that even though high severity fires are by far a lower number in occurrence, their overall contribution remains largely unchanged.

1 A casualty is a person who was referred to hospital for injuries, or who received first aid at the scene of an incident. Casualties recorded as 'precautionary check recommended' are not included in these figures. - A precautionary check is when a person is advised to attend hospital or to see a doctor for a precautionary check regardless of whether they did so.

Outcome 2: Communities are safer and more resilient as we respond effectively to changing risks.

	KPI		Target	2021/22	2022/23	2023/24	Narrative
12	Number of incidents attended		Track	95752	99605	80540	This figure has **improved** beyond normal variation due to the implementation of the Unwanted Fire Alarm Signals policy. Other factors include seasonal trends and effective prevention activities.
13	Number of non-refuse secondary fires		Reduce against previous year	9892	8995	7724	The figure has **improved** but within normal variation.
14	Response times by Service Delivery Area	North	Reduce against previous year	603.5	636	616	The figure has **improved** but within normal variation.
		West		463	479	472	The figure has **improved** but within normal variation.
		East		524	535.5	541	This figure has **deteriorated** further from target as part of a longer-term trend. Response time factors in different components which consider 1) call handling, 2) time to mobilise and 3) time to travel to location. Whilst the time taken has slowed, the total difference of 17 seconds is not currently seen to have had a worsening effect on the final outcome of incidents and known factors such as higher traffic volumes, traffic calming features and weather conditions all influence speed of response.
15	Call Handling Times by Service Delivery Area	North	Reduce against previous year	126	122	119	The figure has **improved** but within normal variation.
		West		79	82	82	This figure has remained consistent but has **deteriorated** as part of a long-term trend. The difference of 3 seconds is not seen as statistically significant and could be explained by something as simple as different operating systems/procedures. As with response, there is no evidence that this 3 seconds has led to a worsening effect on the final outcome of incidents. SFRS encourage all control staff to take the necessary time needed to establish what resources, and from where are required to deal with the risk that is presented to them from the caller.

		East		83	85	86	This figure has **deteriorated** as part of a long-term trend. The difference of 3 seconds is not seen as statistically significant and could be explained by something as simple as different operating systems/procedures. As with response, there is no evidence that this 3 seconds has led to a worsening effect on the final outcome of incidents. SFRS encourage all control staff to take the necessary time needed to establish what resources, and from where are required to deal with the risk that is presented to them from the caller.
16	On Call first appliance availability		Increase against previous year	78.6	75.9	75.1	This figure has **deteriorated** as part of a long-term trend. The Operations function have advised that SFRS has piloted a Bank Roster Scheme and is in the process of evaluating this pilot in preparation for formal adoption across SFRS. 6 Local Senior Officer (LSO) Areas participated in the pilot and the evaluation of the Scheme will focus on costs, the benefits of cost versus impact on strategic cover and staff experience.
17	Wholetime appliance availability		% compliance against confidence levels	96.5	92.9	95.3	The figure has **improved** but within normal variation.
18	Number of inspections carried out in line with Operational Intelligence Framework		Track	3422	3777	4038	This figure has **improved** as part of a long-term trend.
19	Number of audit actions arising from Operational Assurance Process		Track	40	28	83	This figure has **improved** beyond normal variation.
20	Number of hydrant inspections carried out		Track	21985	22027	25595	This figure has **improved** as part of a long-term trend.
21	Number of Unwanted Fire Alarm Signal incidents attended in non-domestic premises		Reduce against previous year	28710	31385	17073	This figure has **improved** beyond normal variation as expected due to the implementation of the Unwanted Fire Alarm Signals policy.
22	% of completion of Operational Core Skills modules against training requirement [2]		95%	82.1	75.4	73.7	This figure has **deteriorated** as part of a long-term trend. Capacity issues persist for on-call colleagues due to the learning content within Training for Operational Competence requirements vs time they

						have available. This results in elements of Training being completed beyond the reporting quarter and therefore not captured for that period. Limited number of computers and connectivity issues also contribute to completion rates. Learning & E-Development team continue to offer ongoing support as required.
23	% of completion of Advanced, Support and Emerging Risks Modules against training requirement	95%	77.3	81.3	81.8	This figure has **improved** as part of a long-term trend.
24	% completion of Flexi Duty Officers against training programme [3]	95%	84.0	72.0	77.6	The figure has **improved** but within normal variation.
25	% completion of Incident Command currency following National Training Standards	91%	80.9	92.3	96.8	This figure has **improved** as part of a long-term trend.
26	% of completion of Core Skills currency following National Training Standards [4]	73%	64.4	61.8	69.0	The figure has **improved** but within normal variation.
27	% of completion of Specialist Rescue currency following National Training Standards	92%	93.9	92.6	104.4	This figure has **improved** beyond target because training was completed beyond requirements in some courses.
28	% of all Training Function Courses delivered versus total number of courses scheduled within agreed Training Delivery Plan	95%	92.4	92.2	86.3	This figure has **deteriorated** beyond normal variation. Non-completion and re-scheduling of courses was required mainly due to Breathing Apparatus Recovery transition. As a result, a significant proportion of % variance in 2023/24 is directly linked to the planned/coordinated cancelling of BA courses, replaced with the introduction of the revised 3:1 delivery model of BA/Compartment Fire Behaviour/Tactical Ventilation training, with a focus on risk reduction. Venue bookings conflicts and initial on-call courses have also been cancelled due to insufficient numbers of nominees.
29	Training Function Course Delivery (Candidate Satisfaction %)	95%	99.5	99.7	99.7	This figure has **improved** as part of a long-term trend.
30	Number of incidents attended at the request of other agencies	Track	1338	1411	1456	This figure has **increased** as part of a long-term trend.
31	Number of effect entry / exit incidents attended	Track	4461	4547	4852	This figure has **increased** as part of a long-term trend, which reflects changes in community risk and

						operational demand and an increase in requests from partner agencies to access Fire & Rescue capabilities.

2 – Training programme is determined by the Training for Operational Competence Framework which covers Wholetime / On Call / Day Duty Systems.
3 – Training programme is determined by the Training for Operational Competence Framework which covers Flexi Duty Officers.
4 – National Training Standard courses focus on the acquisition and refresher courses delivered by the Training Function to provide/maintain currency of operational personnel in core and specialist skills

Outcome 3: We value and demonstrate innovation across all areas of our work.

There are currently no Corporate Performance Measures for Outcome Three. Instead, we measure this through narrative reporting. You can find out how we do this in our Performance Management Framework 2023/24 (pg12 Additional Sources of Assurance).

Outcome 4: We respond to the impacts of climate change in Scotland and reduce our carbon emissions.

	KPI	Target	2021/22	2022/23	2023/24	Narrative
32	Organisational carbon emissions	Reduce annually by 6%	14750	14218	13194	This figure continues to **improve** as part of a long-term trend.
33	Carbon Management Plan 2020-25 Project Funding (Actual) vs Estimated Required Funding	100% of estimated funding	N/A	N/A	0	This figure has remained unchanged due to challenges in accessing funding.
34	Recycling rate	Increase annually by 5%	N/A	N/A	40.4	Due to limited data, trends are not yet clear. Target unclear/unavailable.
57	% of light fleet that are Ultra Low Emission Vehicles	100%	11.5	18.4	21.3	This figure has **improved** beyond normal variation as part of a long-term trend.
58	Average age of Heavy Fleet	12 years and below	11.6	11.8	12.0	The figure has **deteriorated** as part of a long-term trend. In the region of 40% of heavy fleet is overdue for replacement, Fleet has a 10-year capital investment requirement of £286m. Current annual allocation of £6.3m results in the Fleet Manager prioritising expenditure to maximise benefit.
59	Average age of Light Fleet	6 years and below	5.3	5.1	5.8	The figure has **deteriorated** as part of a long-term trend. Performance is below the target value of 6 years.
60	% of Community Fire Stations in good or satisfactory condition	1% Increase against previous year	N/A	54.9	55.2	The figure has **improved**, however when adjusting for internal area it has deteriorated.
61	% of Community Fire Stations in good or satisfactory suitability	1% Increase against previous year	N/A	24.4	24.4	This figure has remained consistent.

Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

	KPI	Target	2021/22	2022/23	2023/24	Narrative
35	Number of Cyber Security breaches	0	0	0	0	This figure has remained consistent.
36	% of subject access requests responded to within the statutory timescales	95%	73.4	81.5	85.4	This figure continues to **increase** within normal variation.
37	Number of Data Breaches	0	19	19	12	This figure has **improved** within normal variation.
38	% of FOIs responded to within statutory timescales	95%	85.2	77.9	74.3	This figure continues to **deteriorate** as part of a long-term trend.

						Report will be submitted to Strategic Leadership Team (SLT) highlighting issues in managing/handling information requests which are impacting on our ability to meet statutory deadlines and the risks.
39	Number of confirmed frauds	0	0	0	2	The figure has **deteriorated** above normal variation. Formal investigations were undertaken with reports provided to the Audit and Risk Assurance Committee and Strategic Leadership Team on two frauds that have been identified. Fraud action plans are being developed to minimise the potential for this to reoccur, strengthen current control arrangements and additional awareness information has been provided to raise awareness across the Service.
40	% of invoices paid in 30 days	98%	97.9	97.1	97.4	The figure has **improved** within normal variation.
41	% Service Desk incidents resolved within Service Level Agreement [5]	85%	99.5	100.0	94.2	This figure has **deteriorated** within normal variation. Although the figure has deteriorated, it is still well above target. Historical figures (2021/22 & 2022/23) are now deemed to have been unreliable and have since been removed from historical analysis. This was as a result of a system change and post-Covid. ICT is currently in the process of proposing a restructure, which aims to provide opportunities to improve our performance across various areas within ICT, one specific being these KPI's which are reported.
42	% Service Desk requests resolved within Service Level Agreement	85%	97.3	95.5	93.2	This figure has **deteriorated** beyond normal variation. Although the figure has deteriorated, it is still well above target. Historical figures (2021/22 & 2022/23) are now deemed to have been unreliable and have since been removed from historical analysis. This was as a result of a system change and post-Covid. ICT is currently in the process of proposing a restructure, which aims to provide opportunities to improve our performance across various areas

						within ICT, one specific being these KPI's which are reported.
43	Portfolio Office baseline completion dates versus latest forecast dates	Less than 10% slippage from baseline completion date	N/A	N/A	N/A	Due to limited data, trends are not yet clear/available. Target unclear/unavailable.
44	Portfolio Office baseline cost versus forecast completion costs	Less than 5% slippage from baseline cost	N/A	N/A	N/A	Due to limited data, trends are not yet clear/available. Target unclear/unavailable.
45	Portfolio Office cashable benefits realised	Increase between reporting period	N/A	N/A	N/A	Due to limited data, trends are not yet clear/available. Target unclear/unavailable.
64	Savings achieved as a % of Resource budget for year	3.5% for 2023/24	N/A	N/A	3.51	The 3.5% savings target has been achieved.
65	Total Budget Outturn versus agreed funding (RDEL & CDEL)	Track	100.5	100.4	100.5	The figure has **increased** but within normal variation.

5 – The ICT Service Level Agreement contains five different categories of resolution time ranging from 1 day to 40 days.

Outcome 6: The experience of those who work for SFRS improves as we are the best employer we can be.

	KPI	Target	2021/22	2022/23	2023/24	Narrative
46	Actual Full Time Equivalent (FTE) staff against Target Operating Model by staff group					
	Off Station FTE	Track	89.6	89.2	92.8	The trend figure has **improved**.
	Flexi Officer FTE	Track	98.9	96.7	98.1	The figure has **improved**.
	Operations Control FTE	Track	93.4	93.9	95.4	The figure has **improved**.
	On Call Retained FTE	Track	71.8	70.6	69.3	This figure has **deteriorated**. Challenges remain mainly around recruitment and recruitment timeframes with work on-going within On Call Strategic Coordination Group to improve the position.
	On Call Volunteer FTE	Track	73.2	69.5	70.1	The figure has **improved**.
	Support Staff FTE	Track	90.4	87.4	89.0	The figure has **improved**.
	Resource Based Crewing FTE	Track	94.4	92.6	98.9	The figure has **improved** due to recruitment and changes in the Target Operating Model.
	Rural Full-time FTE	Track	98.1	98.2	93.1	This figure has **deteriorated**. These values represent a point in time (Quarter 4) and at present there are no concerns with this Key Performance Indicator (KPI).
47	% staff vacancies	Track	14.8	16.3	15.4	The figure has **improved** within normal variation.

48	% staff turnover	Track	2.2	2.5	1.6	The figure has **improved** within normal variation.
49	% staff absence	Reduce against previous year	6.1	4.6	4.4	The figure has **improved** within normal variation.
50	Number of incidents in which there was a verbal attack on a firefighter	Reduce against previous year	39	39	19	The figure has **improved** within normal variation.
51	Number of incidents in which there was a physical attack on a firefighter	Reduce against previous year	21	19	26	This figure has **deteriorated** within normal variation. No attacks on any emergency services staff are acceptable and the number reported in 2023/24 represents one attack in every 3,500 incidents. Following investigation, staff involved in these incidents are re-familiarized with the Civil Disturbances standard operation procedure and welfare checks are conducted with staff. Information and risks feedback to Community Action Team to monitor.
52	Number of RIDDOR reportable injuries	Reduce against previous year	37	15	18	The figure has **deteriorated** but within normal variation. Quarterly analysis shows that 2023/24 was either equal to or below historical average.
53	Number of accidents and injuries	Reduce against previous year	138	138	184	The figure has **deteriorated** but within normal variation. Historical analysis demonstrates that quarterly occurrences could be as high as 70 or as low as 20 without being treated as unusual behaviour. 2 of 4 quarters were below historical quarterly average and 2 of 4 quarters were above quarterly average. All events are investigated to reduce the likelihood of reoccurrence. Safety and Assurance Improvement Groups continue to monitor local trends and take action where required.
54	Number of near miss events	Track	152	147	264	This figure has **increased** beyond normal variation.
55	Number of vehicle accidents	Reduce against previous year	275	263	214	This figure has **improved** within normal variation.
56	Completion of Health and Safety Improvement Plans	100%	62.6	62.5	79.3	The figure has **improved**.
62	Gender balance	Increase proportion of female staff	6.4	6.5	7.8	This figure has **improved** beyond normal variation as part of a long-term trend.

63	% of staff choosing to disclose their demographic equalities data to the Service	Increase against previous year	N/A	N/A	39.6	Due to limited data, trends are not yet clear/available. Target unclear/unavailable.
	% of staff choosing to withhold their demographic equalities data to the Service	Reduce against previous year	N/A	N/A	1.45	Due to limited data, trends are not yet clear/available. Target unclear/unavailable.

Outcome 7: Community safety and wellbeing improves as we work effectively with our partners.

There are currently no Corporate Performance Measures for Outcome Seven. Instead, we measure this through narrative reporting. You can find out how we do this in our Performance Management Framework 2023/24 (pg13 Additional Sources of Assurance).

Performance Analysis: Our Performance and Activities

At the beginning of each financial year, we produce an Annual Operating Plan to show key activities that will contribute to meeting the priorities we set within our Strategic Plan. At the end of each year, we report on how we progressed this through quarterly reporting to our Senior Management Board, Strategic Leadership Team and to the SFRS Board. We also include some of this information in the Annual Report and Accounts.

In 2023/24, our Annual Operating Plan contained 20 actions. As of 31 March 2024, the following progress had been made:

- 12 (60%) actions were completed within the financial year as planned
- 6 (30%) actions were not completed within the financial year as planned
- 2 (10%) actions had a due date within the 2024/25 financial year

Of the 8 actions that were not completed within the financial year, two (25%) were incorporated into new actions within the Annual Operating Plan 2024/25. Work will continue to be carried out on the remaining six (75%), with quarterly updates provided to our Senior Management Board, Strategic Leadership Team, and SFRS Board throughout 2024/25 until the actions have been completed.

This section of the report captures some of the key activities that we have carried out through 2023/24 to meet the requirements of our Strategic Plan 2022-25, some which also feature in our Annual Operating Plan 2023/24.

The work we have carried out has been structured around the seven Outcomes outlined within our Strategic Plan 2022-2025.

Details of our financial performance for the year can be found within the Accounts Section of this report.

Outcome 1: Community safety and wellbeing improves as we deploy targeted initiatives to prevent emergencies and harm.

During 2023/24 we:

- Employed evidence-based statistical analysis to examine emerging risks and trends to target safety messaging.
- Continued to develop and enhance our Fire Safety Support and Education (FSSE) Programme.
- Continued establishment and support for, and enhanced partnership work with, Partnership Approach to Water Safety (PAWS) groups throughout Scotland to reduce water emergencies.
- Strengthened our Youth Volunteer Scheme (YVS).
- Officially opened the Museum of Scottish Fire Heritage
- Focused on strengthening the skills of our staff to assist them in recognising, responding, reporting, and recording risks faced by some of our most vulnerable children, young people, and adults at risk from harm and abuse.
- Developed the Ageing Safely Framework which considers current and emerging risks faced by older people in Scotland.
- Changed our response to fire alarms in commercial business and workplace premises leading to a significant reduction in attendance to Unwanted Fire Alarm Signal incidents.

For more information on these activities and our performance relating to Outcome 1, you can

read the Annual Performance Review Report 2023/24 on our website.

There were also some actions within our Annual Operating Plan 2023/24 that we did not manage to complete within the year as scheduled:

- The review of the SFRS Fire Safety Enforcement (FSE) arrangements, was delayed due to some elements of the work being reliant on information from a third party and a lengthy tender process. This work will continue throughout 2024/25.

Outcome 2: Communities are safer and more resilient as we respond effectively to changing risks.

During 2023/24 we:

- Responded to 80,415 incidents across the country.
- Piloted the Bank Roster Scheme (BRS) to enhance the availability of On Call appliances across Scotland.
- Made changes to vehicles, equipment and infrastructure including, but not limited to, the procurement of a contract to build up to 80 Medium Weight Rescue Pumps, the roll-out of a programme to replace hydraulic rescue equipment with battery powered equipment and investment in new Personal Protective equipment (PPE) for our 81 Flood First Responder (FFR) teams.
- Commenced work to strengthen our testing and maintenance processes through the introduction of Equipment Information Cards (EIC) to provide staff with instructions and a schedule for the testing and maintenance of Service equipment.
- Completed a full review of operational training resulting in a restructure within our Training function to ensure a more flexible, effective, and efficient training delivery model, with training being centrally co-ordinated and locally delivered.
- Published the new Training Vision and Strategy 2023-2028.
- Worked in partnership with both Police Scotland and Scottish Ambulance Service to deliver Tri-Service training, focused on reinforcing the fundamental principles of JESIP (Joint Emergency Services Interoperability Principles).
- Continued to support and assist the Scottish Multi-Agency Resilience Training and Exercise Unit to deliver on its core function.

For more information on these activities and our performance relating to Outcome 2, you can read the Annual Performance Review Report 2023/24 on our website.

There were also some actions from the Annual Operating Plan 2023/24 that we did not manage to complete within the year as scheduled:

- Delivery of our Document Conversion Project - a project to review, replace, and produce an updated suite of operational documents that will provide risk critical information and operational procedures to staff on the frontline – was delayed. Although substantial work was progressed, the delivery platform on which the documentation will be housed was not available when originally planned. Work will continue into 2024/25 until the action is delivered.

Outcome 3: We value and demonstrate innovation across all areas of our work.

During 2023/24 we:

- Collaborated with partners on a range of modernisation initiatives including fireground radios, the Emergency Services Mobile Communication Programme, and a range of developments to improve our On Call processes.
- Received delivery of new digital fireground radios to replace existing analogue radios used on the incident ground.
- Worked to maximise our preparedness for future Emergency Services Network (ESN) implementation by progressing our In-Vehicle Systems project and working towards the implementation of Emergency Services Mobile Communication Programme (ESMCP) fixed vehicle devices.
- Piloted the implementation of a second tablet device as part of the In-Vehicle Systems Project and further procured additional devices for installation into all appliances including devices to replace existing outdated Mobile Data Terminals (MDTs).
- Conducted work to address the ongoing challenges of recruiting and retaining our critical On Call firefighters including the trial of a modular programme of training delivery.
- Began trialling the local delivery of Practical Selection Tests and fitness testing to reduce the travel demand on applicants and to remove barriers to recruitment.
- Completed a full evaluation of the On Call to Wholetime Duty System (WDS) migration pilot and formally adopted the process as a recruitment option with work ongoing to embed migration within our existing recruitment and training processes.

For more information on these activities and our performance relating to Outcome 3, you can read the Annual Performance Review Report 2023/24 on our website.

There were also some actions with the Annual Operating Plan 2023/24 that we did not manage to complete within the year as scheduled:

- As part of the review of the SFRS Training Delivery Model to identify opportunities to improve our people's safety and wellbeing, the introduction of a new Training Delivery and Skills Maintenance framework System was delayed due to the team resource and the need to prioritise other elements of the training continuous improvement plan. This work included delivery of the Breathing Apparatus (BA) Recovery Plan and the implementation stages of the East and West Training re-structure. The outstanding work will continue into 2024/25.
- There have been significant delays to the delivery of the Emergency Services Mobile Communication Programme (ESCMP), however, the physical network is now mostly built out. This work will continue into 2024/25.

Outcome 4: We respond to the impacts of climate change in Scotland and reduce our carbon emissions.

During 2023/24 we:

- Continued to deliver our Wildfire Strategy to develop and enhance our wildfire capability, including training to ensure firefighters have the tools they need to manage wildfires effectively and safely.
- Commenced wildfire theory and practical training for all ten Tier 3 wildfire stations.
- Developed a training implementation plan for all fifteen Tier 2 wildfire stations.
- Increased the number of trained Wildfire Tactical Advisors enabling them to provide operational tactical advice and support to SFRS Incident Commanders at Wildfire incidents.

- Procured additional wildfire resources including ten All-Terrain Vehicles and trailers, plus four-by-four vehicles for towing.
- Engaged with various stakeholders at local and national levels to ensure Scotland has a progressive wildfire prevention and mitigation culture, that we are resilient to the negative impact that climate change might bring, and that the devastating impact of wildfire on Scotland's rural communities is reduced.
- Successfully bid for grant funding to support pre-capital decarbonisation studies for a select number of sites as part of a Scottish Green Public Sector Estates Decarbonisation Scheme (SGPSEDS) 'Pre-Capital' project.
- Continued work to have a greener fleet of vehicles including the introduction of our first electric fire appliance and the procurement of 20 electric cars and 12 electric vans.

For more information on these activities and our performance relating to Outcome 4, you can read the Annual Performance Review Report 2023/24 on our website.

There was also one milestone within the Annual Operating Plan 2023/24 that we did not manage to complete within the year as scheduled.

- We were unable to 'Deliver projects in line with the Carbon Management Plan 2020-2025' as no projects could be programmed for delivery during 2023/24. This was because they were unfunded by either grants or internally allocated capital. There was also limited internal resource within the Service and a lack of developed projects.

Outcome 5: We are a progressive organisation, use our resources responsibly and provide best value for money to the public.

During 2023/24 we:

- Strengthened our approach to planning by further developing our Annual Operating Plan 2024/25 to include a Three-Year Forecast of activities, as well as information on our formal change activities. Now entitled the 'SFRS Three Year Delivery Plan,' this three-year rolling plan clearly outlines the Service's priority activities for the period.
- Implemented a new governance and assurance structure to ensure effective governance of critical projects providing an appropriate and enduring structure.
- Worked in partnership with Cardiff University to deliver two cohorts of the Improvement Foundation Course where employees are equipped with tools to identify and tackle issues resulting in process and quality improvement.
- Continued to deliver against our first Business Intelligence (BI) Strategy which aims to develop a strategic approach to the alignment of systems and the collection of data to enable better analysis.
- Delivered continued expansion of performance reporting and insights delivery through Power BI providing all executive areas of governance with a unified way to scrutinise our performance.
- Carried out work to align SFRS statistics with those of the Home Office to enhance the availability of more open data through Scottish Government platforms.

For more information on these activities and our performance relating to Outcome 5, you can read the Annual Performance Review Report 2023/24 on our website.

There were also some actions within the Annual Operating Plan 2023/24 that we did not manage to complete within the year as scheduled:

- Implementation of a Management of Value Framework was delayed due to budget and resource constraints. This work will continue into 2024/25.

Outcome 6: The experience of those who work for SFRS improves as we are the best employer we can be.

During 2023/24 we:

- Concluded the Support Staff pay settlement for 2023/24 and developed and introduced a package of financial benefits to support colleagues with their financial wellbeing as part of a wider suite of support options.
- Published our Equal Pay and Gender Pay Gap Report 2023 which identified pay gaps related to gender, ethnicity, and disability, going beyond the statutory reporting requirements.
- Developed and launched a six-week Service-wide Colleague Experience Survey, as part of the continued focus on employee engagement and colleague experience.
- Secured the "Safecall" tool for staff which strengthens our zero-tolerance approach to bullying, harassment, and discrimination by providing a confidential reporting line where staff can voice their concerns freely without fear, any time of day or night.
- Made Equality, Diversity, Inclusion and Human Rights (EDIHR) considerations central to the development of the Service-wide SFRS Cultural Action Plan, identifying EDIHR support for each of the sub-groups being progressed and facilitating a series of workshops with our Senior Management Board, Senior Leadership Team and the SFRS Board to inform the approach.
- Continued work through the Women's Experience Liaison Forum to enhance partnership working between management and representative bodies and established a similar Experience Liaison Forum for LGBT+ employees to progress and enhance inclusion in the workplace.
- Published the second Gaelic Language Plan following extensive discussions with the Bòrd na Gàidhlig (the Gaelic Language Board).
- Continued to prioritise the health, wellbeing and safety of our staff, undertaking work to safeguard physical and mental health, including, but not limited to, the integration of a new Health and Wellbeing system; a pilot of an in-house physiotherapy service and the appointment of two physiotherapists; the establishment of a short-life working group to progress recommendations that support employees transitioning to retirement and beyond; and the completion of a wellbeing survey to consider the views and experience of colleagues about the wellbeing support available to them.

For more information on these activities and our performance relating to Outcome 6, you can read the Annual Performance Review Report 2023/24 on our website.

Outcome 7: Community safety and wellbeing improves as we work effectively with our partners.

During 2023/24 we:

- Published the second "SFRS Working in Partnership 2022/23" document and developed the third "SFRS Working in Partnership" document which feature some of the wide-ranging partnership and collaboration activities that have taken place throughout 2022/23 and 2023/24 respectively and highlight opportunities to share innovation and best practice throughout the Service.
- Opened a Joint Scottish Fire Investigation Training and Research Facility in Portlethen to support forensic scene investigation techniques used by firefighters, police, and forensic services staff.
- Were awarded the Greatest Contribution to Forensic Science Services Excellence Award in recognition of the impact the Joint Scottish Fire Investigation Training and Research Facility will have on fire investigation, both within Scotland and internationally in the future.

- Continued to be represented on the Cross Justice Group on Race and Workforce to explore issues around race inequality and employment within the justice sector and brings together justice partners, academics and third sector race advocacy groups.
- Worked in partnership with HM Coastguard to undertake a Lost and Missing Persons Search Technician training course in remote locations on Benbecula and North Uist in the Western Isles.
- Implemented a collaborative pilot project with the Scottish Prison Service HMP Barlinnie, Police Scotland's Campus Police Officers and Govan High School to tackle anti-social behaviour, reduce re-offending rates and strive to create a safer and more positive environment for young people providing timely intervention and support to students in need.
- Continued to proactively progress opportunities for multi-agency collaboration through the Emergency Services Training Collaboration with our Training Function providing representation on three multi-agency training sub-groups to pursue tri-service opportunities for collaboration across the crucial areas of Driver Training, Incident Command and Specialist Rescue, respectively.

For more information on these activities and our performance relating to Outcome 7, you can read the Annual Performance Review Report 2023/24 on our website.

Future Plans

To ensure the activities we undertake are aligned to the strategic ambitions of the SFRS Strategic Plan 2022-25, each year we develop an Annual Operating Plan. Unlike the Strategic Plan, which provides high-level aspirations for the Service, our annual planning document provides greater detail on the actions that we plan to carry out in the year ahead.

During 2023/24, we strengthened our approach to planning by further developing our 2024/25 Annual Operating Plan to include a Three-Year Forecast of activities, as well as information on our formal change activities. Now entitled the 'SFRS Three Year Delivery Plan,' this three-year rolling plan clearly outlines the Service's priority activities for the period.

Our progress against each of the activities contained within the Plan will be monitored quarterly with updates being reported to Executive and Non-Executive Boards, ensuring these business-critical activities remain on track and that we continue to use our resources responsibly.

In this section we consider our environmental, economic and societal impact in line with the National Performance Framework.

Environmental Sustainability

The SFRS continues to work to reduce the impact that our operations have on the natural environment whilst reducing our carbon emissions to achieve net zero by 2045.

Following the Scottish Government's revised carbon reduction targets that are set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, we published our own SFRS Climate Change Response Plan 2045 that outlines the SFRS's intention to reach net zero CO_2e emissions by 2045. In 2015/16 we measured and set a carbon emission baseline of 23,326 tonnes CO_2e per annum.

The Carbon Management Plan 2020-25 set out our commitment to the environment and our environmental vision to be 'a high performing, environmentally conscious and responsible organisation through prevention, partnership, people and continuous improvement'. It details how and where the savings can be made, outlining the first phase of projects focusing on energy efficiency and building controls and sets out in detail how we will approach carbon reduction over the next few years, as we work towards the Scottish Government's ambitious target of net zero by 2045.

The SFRS has set a timescale to achieve net zero carbon in line with Scottish Government requirements, however, we have insufficient funding for the projects identified in the Carbon Management Plan, with a total investment of £48.4 million required from 2020 to 2025, of which only £12.8 million has been received to date, therefore making it very unlikely we will meet targets within the identified timescales.

Energy Consumption and CO_2 Emissions

Our carbon footprint for the 2023/24 financial year was calculated at 13,140 tCO_2e. This is 10,186 tCO_2e lower than the carbon footprint of 23,326 tCO_2e for the 2015/16 Climate Change baseline year, and 1,097 tonnes lower than 2022/23. Despite the reduction, we have missed our 23/24 reduction target by 716 tCO_2e.

-43.6%

Reduction in carbon footprint from 2015/16

Our target of reducing emissions by 60%, from our 2015/16 baseline, by 2030 requires us to find savings of 1,400 tonnes of CO_2e each year. Our carbon emissions are split between three primary sources, electricity use in our buildings, burning natural gas for heating and hot water and fuel for our fleet.

-12.5%

Reduction in electricity and gas consumption in 2023/24

During 2023/24 the CO_2e emissions derived from our electricity use increased by 238 tonnes CO_2e (7%), when compared to 2022/23. This was driven by the carbon management plan projects that were delivered in 2022/23 where natural gas heating systems and diesel fuelled light fleet vehicles were replaced with electric alternatives. The electric alternatives are preferable as they remove direct fossil fuel use and replace it with power from the electricity grid, which is continually decarbonising.

The CO_2e emissions that are derived from natural gas use reduced by 506 tonnes CO_2e (10.4%) in the last 12 months. As mentioned above this is due to gas heating systems being replaced by electric alternatives in our retained stations.

The reduction was also driven by the biomass boiler at our National Headquarters becoming operational again in Spring 2023, resulting in significantly less gas use at our most energy intensive site.

The carbon emissions that are derived from our heavy fleet are our most problematic to reduce as there is no low carbon solution for diesel fuelled fire engines. However, in 2023/24 due to the changes that were made to Unwanted Fire Alarm Response (UFAS) we were successful in making considerable reductions in this area.

In addition to the many operational benefits that the changes to UFAS delivered, our diesel fuel emissions reduced by 676 tonnes (12%) of CO_2e during 23/24. This is significant as it is the first time that our fleet fuel emissions have reduced since the Covid 19 lockdowns.

Delivery of Carbon Management Plan Projects

Unfortunately, we were unable to deliver any carbon management plan projects during 2023/24 due to a lack of capital funding and vacancies within the Environment and Carbon Team. The minimal capital allocation that SFRS receives is prioritised on essential repairs and upgrading works on our estate, such as Reinforced Autoclaved Aerated Concrete roofing rebuilds and contaminant control adaptations. As a result, the Service was unable to fund carbon reduction projects from our existing capital allowance.

Carbon Management Plan Funding Sources

In December 2023 SFRS were awarded £50,000 pre-capital grant funding, via the Scottish Government's '*Scottish Green Public Sector Estate Decarbonisation Scheme'* (GPSEDS), to undertake assessments of 4 sites to review the feasibility of retrofitting decarbonisation measures.

As operators of Scottish Government's Non-Domestic Energy Efficiency (NDEE) Framework Project Support Unit (PSU), consultants Mott McDonald were appointed to undertake the reviews of Kilmarnock, Polmadie and MacAlpine Road Fire Stations and Johnstone Operational Control. These sites were selected due to their high energy demands.

The reports produced by Mott McDonald outline the following: -

- A range of carbon reduction opportunities for each site.
- The anticipated carbon savings for each measure.
- The estimated capital investment costs.
- Future revenue costs following implementation.

The reports advise that the measures on each site would cost in the region of £1 million, excluding additional electrical capacity costs, and would offer carbon savings ranging from 33 – 64 tonnes CO2e annually, with additional savings gained as the electricity grid continues to decarbonise.

It is our intention to initiate these projects when capital funding becomes available.

Waste Management

The total recorded volume of all waste produced across the SFRS estate in 2023/24 was 703 tonnes, a 27% reduction in the volume of waste produced since our initial baseline reporting year 2019/20, and a 12% reduction from 2022/23.

-27%

Reduction in the volume of waste Produced since 2019/20

This total volume of waste includes all waste from scheduled and ad hoc waste uplifts across our stations, corporate sites, workshops, stores and training centres, and any special waste materials.

Many of our retained and volunteer stations received industry average waste data from the local waste contractors.

39%

Recycling rate in 2023/24

In November 2023, we undertook a review of this data with our waste broker and began using average waste figures based upon SFRS data rather than standard industry averages, resulting in our waste data being overestimated.

This change in reporting data in November will have contributed to the decrease in the total volume of waste produced in 2023/24.

During 2023/24 we experienced continual issues with contractor's vehicles accurately weighing the waste from our larger sites. This issue has been addressed by inputting average waste weights until the issues were rectified.

Our recycling rate for 2023/24 has remained consistent, however has dropped from 40% in FY 2022/23 to 39% in 2023/2024. This could be linked to the number of mechanical issues and recent change to average waste data figure.

The volume of waste sent to landfill in 2023/24 was 79 Tonnes, which is a 22% decrease compared to the last financial year with a 37% reduction since 2019/20 the baseline reporting year. The reduction in this figure is limited to progression in the waste industry to provide services in remote and rural locations so that the waste does not go to landfill, however this year we saw a bigger decrease through our change to using SFRS averages instead of industry averages for waste uplifts where actual data is not available.

SFRS are progressing with our Waste Strategy; we are on track to meet our target of a 5% annual reduction in scheduled waste from Wholetime fire stations and corporate sites going to refuse derived fuel (RDF) or landfill by 2025.

Only 64% of Wholetime Stations are using their food waste bins, we had planned for 100% usage by 2023/24, there is ongoing work to rectify this. A new training module for Premise Responsible Persons was developed, which cover details on their environmental responsibilities including checks on waste facilities and ensuring recycling on site. Site visits were also carried out and recommendations made and implemented. Sodexo continue to have their cleaning supervisors carry out waste audits on external signage of the bins.

Water Management

In 2023/24 our water consumption across 81 sites where we have Automated Meter Reads installed was 86,515m^3. There were 5 sites which experienced burst pipes or leaks, this data has been excluded. There has been a slight increase in water consumption compared to 2022/23 however there remains a 4% reduction from our baseline figure in 2021/22.

-4%

Reduction in the volume of water consumed at automatic meter reading (AMR) sites since 2021/22
(excluding sites with faults)

We were successful in our application to Business Stream's water efficiency funding where we secured £10,000 to have water efficiency audits carried out and water saving technologies installed to reduce consumption and cost.

Biodiversity

In December 2023 we published our Biodiversity Duty Report 2021-2023. This report is produced every three years to outline the actions SFRS have taken to further conserve biodiversity and detail our compliance with our Biodiversity Duty.

The following are some examples of how we continue to support biodiversity across the Service: -

- SFRS continues to support the Scottish Beekeepers' Association with their network of beehives across our estate. There are now 21 sites across our estate that have beehives with plans to expand further.
- Our community gardens at Clydesmill, Motherwell, Kilmarnock and Bellshill continue to thrive attracting more wildlife and biodiversity as well as offering a safe community space to share skills, grow food and raise awareness on the importance of biodiversity.
- During 2023/24 SFRS completed a project to reduce the risk of pollution incidents across our sites. Pollution Incident Response Plans have now been completed for all stations. These plans provide details on chemicals, fuel stored on site, drainage plans and the location of spill kits to ensure that local crews are prepared to respond to any potential pollution incidents on our stations.

Business Travel Emissions

We now monitor and measure our Scope 3 business travel emissions as part of our official carbon footprint. These are indirect greenhouse gas emissions resulting from the organisation's operations. This has been measured for four years, with financial year 2019/20 set as the official baseline year, producing 816 tCO_2e. These emissions are made up from staff mileage claims, rail travel, flights and stays in hotel accommodation.

During 2023/24 our Scope 3 business travel emissions decreased very slightly to 578 tCO_2e, a drop of 3 tCO_2e on the 2022/23 figures.

You can access full climate change reporting information for SFRS on the Sustainable Scotland Network website. The information for the previous year is updated every April.

Contributing to the National Performance Framework:	Contributing to the Sustainable Development Goals:
▪ Environment ▪ Communities	▪ Responsible Consumption and Production ▪ Climate Action ▪ Clean Water and Sanitation ▪ Affordable and Clean Energy ▪ Life Below Water ▪ Life on Land

Economic Sustainability

We recognise that a strong, competitive economy is essential to supporting jobs, incomes, and our quality of life. We also know that our economy must be environmentally sustainable, inclusive and benefit all our people and communities. We continue to work to create the conditions through which to achieve these commitments alongside economic growth.

Sustainable Procurement

SFRS is committed to observing our sustainable procurement duty as stated within the Procurement Reform (Scotland) Act 2014 and continue to review and update our internal policies and procedures to reflect our legal duty and to ensure the proper consideration of how best we can improve the social, environmental and economic wellbeing of our communities through our procurement activity.

Sustainability is an area that SFRS can, and does, influence by making sure the elements which impact on this are embedded into the procurement process at an early stage and considered throughout the procurement lifecycle in the specification development, tender evaluation, and contract management.

For all procurements for goods and services with a value of £50,000 or more, we developed a Commodity Strategy which requires the consideration of the Sustainable Procurement Toolkit to assist in embedding relevant and proportionate requirements in our procurement activity.

In support of our commitment to our sustainable procurement duty, we have a nominated Sustainable Procurement Champion who is responsible for ensuring compliance with legislation across the Service and promoting the adoption of sustainable procurement practices.

Our Procurement Strategy 2021-2024 was published in April 2021 and is currently being reviewed and updated to reflect the new national procurement strategy for the Scottish public sector (Public Procurement Strategy for Scotland 2023-2028).

The consideration of socioeconomic impact is embedded in the Scottish Fire and Rescue Service procurement activity, and we include the consideration of community benefits in all relevant procurement activity and use these to deliver wider benefits for the communities which we serve. Station upgrade projects undertaken in the reporting period at Galashiels, Dingwall and Newcraighall Fire Stations highlight local Small and Medium-sized Enterprise (SME) engagement, training opportunities together with other local initiatives. Our contractors for both Hard and Soft Facilities Management evidence similar commitments.

Our procurement activity is open and transparent and undertaken in a manner which facilitates the involvement of Small and Medium sized Enterprises, Supported Business and third sector bodies. We continue with our membership of the Supplier Development Programme which

consists of Local Authorities, Scottish Government and a range of other public bodies working together to ensure that Small and Medium sized Enterprises and local suppliers are provided with the opportunity to access our procurement activity. We continue to actively support the supplier development programme initiatives and attend National and regional Meet the Buyer events explaining to suppliers how they can participate in Scottish Fire and Rescue Service procurement opportunities.

We continue to explore and maximise collaborative procurement opportunities with our Blue Light partners and other public sector bodies both in Scotland and the wider United. We are also associate members of Scotland Excel and utilise available frameworks

The SFRS procurement team continue to support numerous Community Wealth Building initiatives with progressive procurement being a core principle to help develop local supply chains of businesses likely to support local employment and keeping wealth in communities.

We have successfully introduced Project Bank Accounts in relevant procurement projects in previous years and this has continued with the West Asset Resource Centre Project with final payments for the project being made during the reporting period. Work will continue to identify future relevant projects where these can be introduced.

Our procurement activities continue to promote and explore opportunities to engage with the Supported Business and Third Sector. During the reporting period there was a spend of £33,000 excluding VAT with this sector.

We support the Scottish Government's goal to become net zero by 2045. SFRS has pledged to cut carbon emission by 6% per annum until 2030 which equates to an 80% overall reduction. To support this, we continued to invest in renewable technologies to reduce waste energy and further investment in our electric fleet saw the purchase and introduction of an additional thirty-two electric vehicles in the reporting period with live operational trials continuing with our low carbon appliance.

The Scottish Fire and Rescue Service considers how we can harness emerging technologies and our Research, Development and Innovation teamwork with our Procurement and Asset Management teams to ensure new equipment and appliances are in line with the latest developments.

We are an Accredited Living Wage employer and through our procurement activity, we have recognised that inviting suppliers to adopt fair work practices helps reduce inequalities and develops a more inclusive and sustainable society.

We have continued to consider Equality and Diversity in all relevant procurement activity and have observed the requirement to comply with the Equality Act 2010 and the 'General Duty'. Completion of an Equality and Diversity Impact Assessment is undertaken and, where appropriate, provision included in the conditions of contract, specification, and contract award criteria, with performance measured through management of the contract.

Workforce Sustainability

The Service has faced challenges in its ability to recruit and retain Uniformed staff since March 2020 due to the Covid-19 pandemic, compounded latterly by changes to the Firefighters' Pension Scheme (FPS) which has significantly impacted the forecasted retirement profile. This, coupled with a highly competitive labour market in relation to corporate staff roles has impacted the ability of the SFRS to maintain establishment levels across all staff groups.

The People Directorate is modelling and reviewing scenarios to inform flexible workforce plans that can respond to changes in the retirement profile as the pension scheme deferred choice underpin is applied from October 2023.

Anti-Fraud and Corruption

The SFRS is committed to the Scottish Government's zero tolerance approach to fraud. All SFRS staff, at all times, are required to act honestly and with integrity and to safeguard the public resources for which they are responsible.

The Chief Officer, in accordance with the SFRS Financial Regulations, is responsible for identifying and managing the risk of fraud and corruption, for ensuring that appropriate risk management, internal control and governance arrangements are in place and for ensuring Best Value is achieved.

Contributing to the National Performance Framework:	Contributing to the Sustainable Development Goals:
▪ Economy ▪ Fair Work and Business ▪ International	▪ Decent Work and Economic Growth ▪ Industry, Innovation, and Infrastructure

Societal Sustainability

We continue in our aspiration to be a world leading fire and rescue service and to do this we strive to embed equality, diversity, human rights, and inclusion in everything we do.

Key pieces of work this year included:

- Engagement on the continuous improvement of Support Staff Job Evaluation arrangements and guidance, with revised arrangements being finalised for implementation.
- Review and development of several SFRS People policies to ensure these are inclusive, supportive, and reflective of SFRS as an employer of choice.
- Effective partnership working with our recognised representative bodies, particularly in relation to organisational change programmes and initiatives.
- The review and enhancement of the leadership development model with a specific focus on management capability. Early design of a Management Capability Framework is underway, including development of resources and assets.
- Review and improvement of the recruitment process for Wholetime Firefighters to maintain required standards, increase capacity, and improve the candidate experience.
- Work to progress the implementation of the Service's approach to Asbestos Medicals. The Service will provide legislative asbestos medical screening on a three-yearly basis, in line with the National Fire Chief Council /Health and Safety Executive (HSE) guidance.
- Analysis of the Safety Culture Survey which generated 1,095 returns and further development of a Safety Culture Strategy will be progressed based on the five key themes identified.
- Review of the Equality and Human Rights Impact Assessment process.
- Production of an easy-read, youth targeted version of our Corporate Parenting Plan and continued work undertaken by our Corporate Parenting Working Group including marking Care Experience Week and Care Leavers Week.

Contributing to the National Performance Framework:	Contributing to the Sustainable Development Goals:
▪ Children and Young People ▪ Fair Work and Business ▪ Communities ▪ Education ▪ Health ▪ Culture ▪ Human Rights	▪ Good Health and Wellbeing ▪ Quality Education ▪ Gender Equality ▪ Reduced Inequalities

Ross Haggart
Chief Officer
Scottish Fire and Rescue Service

31 October 2024

ACCOUNTABILITY REPORT

In this section of the report, we set out:

- Our Corporate Governance Report, including:
  - Directors' Report
  - Statement of Accountable Officer's Responsibilities
  - Governance Statement
- Remuneration and Staff Report

These sections contribute to our accountability to the Scottish Government and ensure we comply with good governance standards as set out within our SFRS Governance and Accountability Framework.

CORPORATE GOVERNANCE REPORT

Directors' Report

Introduction

The SFRS presents its Annual Report and Accounts for the year from 1 April 2023 to 31 March 2024. The Accounts have been prepared in a form directed by the Scottish Ministers in accordance with Section 42A (1) of the Fire (Scotland) Act 2005 (inserted by section 118 of the Police and Fire Reform (Scotland) Act 2012), and in accordance with the Government Financial Reporting Manual (FReM).

Statutory Background

The Police and Fire Reform (Scotland) Act received Royal Assent on 7 August 2012, with responsibility for Police and Fire and Rescue Services transferring from local government to new central government Other Significant Public Bodies on 1 April 2013.

The SFRS is governed by the Fire (Scotland) Act 2005, amended by the Police and Fire Reform (Scotland) Act 2012. It is responsible for fire safety, firefighting, attending road traffic collisions and dealing with other types of emergencies. The SFRS also works with partner agencies to be prepared for major emergencies and disruptive challenges.

Chief Officer and Board Members:

Chair:	Kirsty Darwent
Deputy Chair:	Fiona Thorburn
Chief Officer:	Ross Haggart
Accountable Officer:	Ross Haggart
Board Members:	Tim Wright Nick Barr (resigned 31 July 23) Brian Baverstock Mhairi Wylie Malcolm Payton Lesley Bloomer (resigned 31 July 23) Stuart Ballingall Steven Barron

Angiolina Foster
Paul Stollard
Andrew Smith (joined December 2023)
Madeline Smith (joined December 2023)
Neil Mapes (joined December 2023)
Therese O'Donnell (joined December 2023)

A full list of the company directorships and other significant interests can be found on the SFRS website.

Members of the Strategic Leadership Team:

Chief Officer:	Ross Haggart
Accountable Officer:	Ross Haggart
Deputy Chief Officer:	Stuart Stevens
Interim Deputy Chief Officer – Corporate Services:	Liz Barnes
Director of Service Delivery:	David Farries
Director of Training, Safety and Assurance:	Andrew Watt
Director of Service Development:	David Lockhart
Acting Director of People:	Lyndsey Gaja
Acting Director of Finance and Procurement: [1]	John Thomson
Acting Director of Asset Management: [1]	Iain Morris
Director of Finance and Contractual Services	Sarah O'Donnell
Director of Strategic Planning, Performance and Communications:	Mark McAteer

1 John Thomson and Iain Morris are in Acting Director posts during the secondment of Sarah O'Donnell (substantive Director of Finance and Contractual Services) to the Scottish Government from 12 April 2021 to 1 November 2023.

Financial Performance

You can read more information on financial performance in the Performance Overview at the start of this document and in the Annual Accounts section.

Charging Policy

The primary statutory functions of the Scottish Fire and Rescue Service are set out in the Fire (Scotland) Act 2005 ("the 2005 Act"), as amended by the Police and Fire Reform (Scotland) Act 2012, as well as the Fire (Additional Function) (Scotland) Order 2005 ("the 2005 Order"). In summary, the SFRS is required to protect and prevent our communities from fire, enforce fire legislation, investigate fire, and provide fire and rescue emergency response to our communities. No charges are levied as these services are funded through Scottish Government. Charges may be levied for special services supplied by the SFRS in line with the powers set out within the Fire (Scotland) Act 2005, Fire (Charging) (Scotland) Order 2005 and Fire (Additional Functions) (Scotland) Order 2005. Charges have been developed based on the expected actual cost of delivery to the SFRS, including overheads as per Scottish Government requirements.

Strategic Asset Management Planning

As the fourth largest Fire and Rescue Service in the world we have an asset portfolio worth around £500 million comprising land and buildings, including 356 fire stations, 1,620 fleet

vehicles and thousands of items of operational equipment, all of which are critical to the effective delivery of services to our communities across Scotland.

The Scottish Fire and Rescue Service plays a significant collaborative role in supporting communities through joined up service delivery. Despite significant investment over the past ten years, there remains a substantial inherited backlog investment issue to enable all assets to achieve satisfactory ratings for condition and suitability.

In 2018 Audit Scotland recognised and reported a need for action in this regard and recommended, to bring its property, vehicles, and other assets across Scotland up to a minimum satisfactory condition and maintain them over the next ten years, the SFRS requires an average annual investment of £80.4 million.

Our core capital funding has remained at £32.5 million for the last seven years, for 2024/25 this was increased to £43 million, however as a minimum we need at least £80 million per annum in investment in our assets. The lack of increased funding and reduction in real terms not only impacts our ability to modernise our assets but increases the pressure on our resource budget as more reactive maintenance is required to fix problems in our ageing estate.

Due to funding constraints, a Risk Based Capital Investment Plan was approved by the Board in 2022. This has been refreshed for 2024 alongside the development of the capital budget and outlines an indicative 10-year Asset Investment Plan (AIP), prioritised to minimise the risk of asset failure in terms of service delivery.

It should however be noted that this approach is not sustainable and continued operation of assets that have exceeded their useful life will lead to increasing resource maintenance costs, which does not achieve good value for money. As the Strategic Service Review Programme progresses during 2024/25, the Risk Based Capital Investment Plan will be updated to take account of evolving asset requirements.

To support the risk-based approach, an overarching Asset Management Policy has been created and detailed Strategic Asset Management Plans have been developed for fleet, property, and equipment. These Strategic Asset Management Plans provide the detail to support prioritisation and investment plans across each programme category. The Asset Investment Plan is updated after each year's capital investment has been completed.

The Asset Management Policy demonstrates that the SFRS is working within the Scottish Government's new Investment Hierarchy approach, as outlined in the Scottish Government's A National Mission with Local Impact Infrastructure Investment Plan for Scotland 2021-22 to 2025-26. This will be achieved through demonstrating future need, maximising the life of existing assets as far as possible, seeking opportunities to co-locate, and seeking funding to replace and build new assets by considering the suitability and condition of our assets.

Through the work on the Strategic Asset Management Plans and the Risk Based Approach we continue to highlight the requirement for greater capital investment.

Personal Data Related Incidents

During 2023/24, no personal data related incidents were reported to the Information Commissioner's Office (ICO). There were no personal data related incidents in the previous year (2022/23).

Policy and Practice on Payment of Creditors

The SFRS terms and conditions for payment of suppliers is to pay suppliers within 30 days of the invoice date. Analysis of our performance during 2023/24 shows that 98% of invoices were paid within this timescale (96% in 2022/23). Process changes have been implemented to improve performance.

Independent Auditor and Professional Advisers

Under the Public Finance and Accountability (Scotland) Act 2000, auditors are appointed by the Auditor General. Audit Scotland has been appointed to carry out this duty for the year ending 31 March 2024.

Disclosure of Information to Auditors

The Directors are not aware of any relevant audit information of which the SFRS auditor is not aware. The Directors have taken all reasonable steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the SFRS auditor is aware of this information.

The auditor's remuneration for providing statutory audit services for financial period ending 2023/24 is £0.150 million (£0.141 million in 2022/23). No non-audit services were provided in this period.

Auditor
Audit Scotland, 4th Floor, 102 West Port, Edinburgh, EH3 9DN

Actuaries
Barnett Waddingham LLP, 163 West George Street, Glasgow, G2 2JJ
Hymans Robertson, 20 Waterloo Street, Glasgow, G2 6DB
Mercer, Exchange Station, Tithebarn Street, Liverpool, L2 2QP
Government Actuary's Department (GAD), Belford House, 59 Belford Road, Edinburgh, EH4 3UE

Banking

The SFRS operates within the Scottish Government banking contract with the Government Banking Service (GBS), which is a shared banking service for government departments.

Contact Us

We appreciate all comments and will ensure all feedback is kept confidential.

Scottish Fire and Rescue Service Headquarters, Westburn Drive, Cambuslang, G72 7NA.

Accountable Officer:

Ross Haggart
Chief Officer

Organisation:
Scottish Fire and Rescue Service

31 October 2024

Statement of Accountable Officer's Responsibilities

Under the Police and Fire Reform (Scotland) Act 2012, the SFRS is required to prepare financial statements for each financial period in the form and on the basis determined by the Scottish Ministers. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the SFRS and of its income and expenditure, Statement of Financial Position, changes in taxpayers' equity and cash flows for the financial period.

In preparing the Accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Ensure that appropriate and reliable systems and procedures are in place to carry out the consolidation process.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

In addition, SFRS has general responsibility for taking such steps as are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

Scottish Ministers have appointed the Chief Officer as the Accountable Officer for the SFRS. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding SFRS' assets, are set out in the Memorandum to Accountable Officers for Other Public Bodies issued by the Scottish Government and published as part of the Scottish Public Finance Manual.

As the Accountable Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that SFRS' auditors are aware of that information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.

Accountable Officer:
Ross Haggart
Chief Officer

Organisation:
Scottish Fire and Rescue Service

31 October 2024

Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control, risk management and corporate governance that supports the achievement of the Scottish Fire and Rescue Service's (SFRS) policies, strategic aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the SFRS is administered prudently and economically and that resources are applied efficiently and effectively. I acknowledge my responsibilities as set out in the Principal Officers Memorandum to Accountable Officers of Other Public Bodies.

The SFRS Corporate Governance Framework

Members of the Board are appointed by the Scottish Ministers in line with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland. During the first quarter of 2023/24 the SFRS Board ('the Board') comprised of twelve Non-Executive Members including the Non-Executive Chair. At the end of July 2023, Board Members Nick Barr and Lesley Bloomer resigned and the Board reduced to ten Non-Executive Members including the Non-Executive Chair until December 2023. A robust recruitment process was conducted and in December 2023, four new Board Members were appointed, increasing the Board membership to fourteen Non-Executive Members including the Non-Executive Chair.

The Board

The SFRS Board is responsible for providing strategic direction, support, and guidance to the SFRS, ensuring it discharges its functions effectively and that Ministers' priorities are implemented. The SFRS Governance and Accountability Framework document sets out these responsibilities in detail, along with the formal relationships between the SFRS and the Scottish Ministers and Officials.

The Board discusses, debates, and makes decisions in many areas and focusses on:

- the quality of the service being delivered and how this can be improved.
- strategic decisions, including key areas for future development.
- financial position and organisational performance, to ensure that the SFRS is in line with its targets and statutory obligations.

The Board has approved Standing Orders and a Scheme of Delegations (incorporating matters reserved to the Board) in place that outlines the responsibilities for the Board, Chief Officer, and Strategic Leadership Team on key issues such as governance and financial transactions. All staff are required to comply with the requirements set out in these documents and they are reviewed annually and approved by the Board within the Annual Governance Review of Board and Committee related items.

During 2023/24 the Board met eight times in public using a blended approach of face to face meetings and virtual technology and made the minutes and papers of these meetings available on the SFRS website. The Board also conducted four standalone meetings in private during this reporting period. Further to this, nine Board Strategy / Development / Information Days were held to support the effective and positive working relationships between the Board and Strategic Leadership of the Service. These continue to inform the Board of key strategies, projects, work streams and organisational workloads and allow the Board the opportunity to engage at a Strategic level.

KEY HIGHLIGHTS OF THE BOARD DECISIONS DURING 2023/24

- Approved the Annual Governance Review of Board and Committee Related Items to ensure the continued effectiveness of the governance arrangements of the SFRS Board and its Committees.
- Approved the Internal Audit Plan 2023/24 which sets out a timetable of the main reviews of key activities during 2023/24 that are intended to assist in ensuring effective governance and monitoring arrangements within SFRS.
- Approved the Performance Management Framework 2023/24
- Approved the Operational Change Consideration 2023/24 (Private)
- Approved the SFRS Income Generation Policy 2023
- Approved the New Mobilising System Procurement to withdraw from the Crown Commercial Services Framework
- Approved the Resource Budget 2024/25 and the Capital Programme 2024/25 – 2026/27
- Approved the continued pursuit of losses from Systemes et Telecommunications SA (Systel), following termination of the Services Agreement (private)

For more information on Board decisions, you can read the Annual Governance Statement on our website.

Board Members

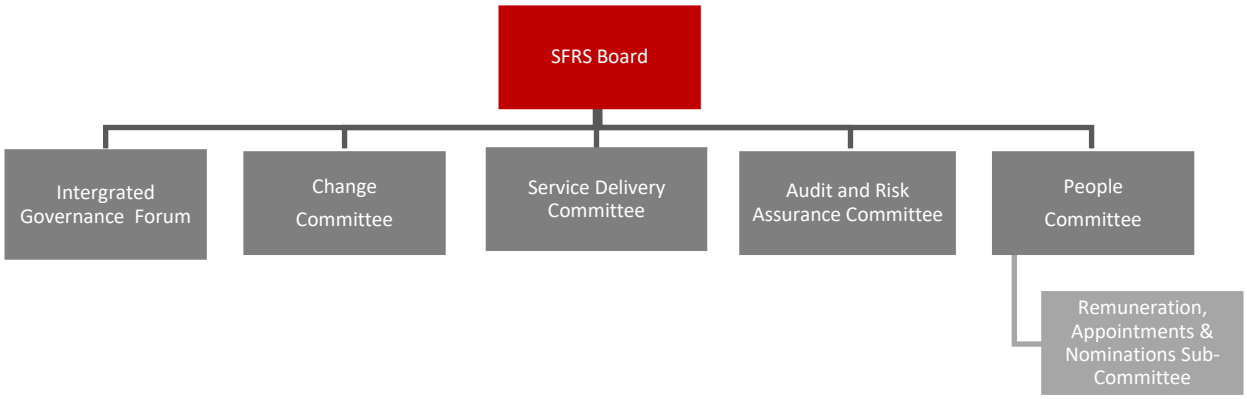
The biographies and interests of Board Members can be found on the SFRS website here.

There were twelve meetings of the Board held during 2023/24, you can read who attended them here.

Committee Structure and Coverage

During 2023/24 the Board had a Committee structure comprising four standing Committees and one Sub-Committee, together with an Integrated Governance Forum. Each of these Committees/Forum have a Terms of Reference, which are reviewed annually and approved by the Board within the Annual Governance Review of Board and Committee related items.

SFRS Board Committee Structure during 2023/24



Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee scrutinises the systems and processes for governance, internal control and risk management and provides assurances on their effectiveness to the Board and Accountable Officer.

The Audit and Risk Assurance Committee comprises five Non-Executives Members and during 2023/24 met five times in public, each of which included a private session, and one standalone meeting in private. The Chair of the Committee is Brian Baverstock. Following the resignation of Board Member Lesley Bloomer, the Committee membership reduced to four Non-Executive Members before returning to five Non-Executive Members when Board Member Neil Mapes joined in December 2023.

Representatives from the external and internal auditors attended all meetings and met separately in private with Committee Members. The Accountable Officer and the Acting Director of Finance and Procurement/Director of Finance and Contractual Services attend the Audit and Risk Assurance Committee, along with other Senior Managers as appropriate. Representatives from His Majesty's Fire Service Inspectorate (HMFSI) were also invited to attend and to provide their Annual Report.

Based on the Committee's work during the period under review and the assurances received, the Committee concluded the SFRS has effective risk management, governance, and internal control arrangements in place.

The Committee also concluded that it is not aware of any issues of significant concern that should be brought to the attention of the Board and the Accountable Officer.

Further highlights of the Audit and Risk Assurance Committee's work during 2023/24 can be found via this link which takes you to their Annual Report to the Board and Accountable Officer.

There were six meetings of the Audit and Risk Assurance Committee held during 2023/24, you can read who attended them here.

Change Committee (CC): Strategic Change and Major Projects

The CC provides oversight and scrutiny of the Change Portfolio (Strategic Change and Major Projects) to assure consistency with the strategic direction set by the Board and effective resourcing, planning and delivery.

The CC comprises five Non-Executive Members and during 2023/24 met four times in public, each of which included a private session, and four standalone meetings in private. Following the retiral of Board Member Nick Barr, the Committee membership reduced to four Non-Executive Members before returning to five Non-Executive Members when Board Member Therese O'Donnell joined in December 2023. The Committee Chair is Fiona Thorburn. The Deputy Chief Officer, Interim Deputy Chief Officer (Corporate Services), Director of Service Development and other Senior Managers were invited to attend the meetings as appropriate. In January 2024 following a Strategic Leadership Team restructure the role of Director of Service Development changed to become Director of Prevention, Protection and Preparedness.

The Committee monitored progress of major projects such as the New Mobilising System, People Payroll, Finance and Training Project, McDonald Road Refurbishment, West Asset Resource Centre, Service Delivery Model Programme as well as other projects such as Safe and Well, Low Carbon Appliance and Website/Intranet upgrading.

The risk tracking and risk monitoring for individual projects was further developed, with a view to gaining better insight of risks that may affect the delivery of the Programme while the methodology for benefits mapping and project finance reporting also continued to be developed. Evaluation reports were produced which highlighted lessons identified and learned, for review and reflection within new projects.

The Service Development Directorate provided Executive leadership and oversight regarding the Change portfolio and how it was managed. However, as noted previously that there was a re-structure within the Strategic Leadership Team within the reporting year, this now falls under the responsibility of Corporate Services.

Further highlights of the CC's work during 2023/24 can be found via this link which takes you to their Committee Assurance Statement presented at the 2 May 2024 public meeting.

There were eight meetings of the Change Committee held during 2023/24, you can read who attended them here.

Service Delivery Committee (SDC)

The SDC's purpose is to scrutinise, monitor and review performance, and provide assurances to the Board relating to the quality of Service Delivery through operational efficiency and effectiveness, operational safety, and delivery of approved Prevention & Protection and operational strategies.

The SDC comprises five Non-Executive Members and during 2023/24 met four times in public, three of which included a private session. The Committee Chair was Nick Barr until July 2023, then Tim Wright took over the role. The Deputy Chief Officer, Director of Service Delivery (nomenclature change in January 2024 to become Director of Operational Delivery) and Director of Training, Safety and Assurance, as well as other Senior Managers, were invited to attend the meetings as appropriate.

HMFSI continue to attend the SDC, primarily to monitor progress against the SDC aligned HMFSI action plans, but also from a general Service Delivery business perspective across the Service.

At each meeting, the Committee received a revised Service Delivery Update report from the Deputy Chief Officer. This comprehensive report outlines updates of key points of work from the Service Delivery Directorate (now Operational Delivery Directorate) and the Training, Safety and Assurance Directorate over the previous quarter.

Further highlights of the SDC's work during 2023/24 can be found via this link which takes you to their Committee Assurance Statement presented at the 29 May 2024 public meeting.

There were four meetings of the Service Delivery Committee held during 2023/24, you can read who attended them here.

People Committee (PC) and Remuneration, Appointments & Nominations Sub-Committee (RANSC)

The PC provides strategic advice and direction on matters affecting employees and ensures that staffing and remuneration arrangements support the strategic aims and objectives of the SFRS, reflecting best practice. The PC comprises five Non-Executive Members and during 2023/24 met four times in public, each of which included a private session. The PC Chair is Mhairi Wylie and the RANSC Chair is Board member Fiona Thorburn.

The overall purpose of the RANSC is to offer guidance, support and recommendations to the Board and Chief Officer, in relation to matters of remuneration, appointments, nominations and negotiations. The RANSC comprises five Non-Executive Members and during 2023/24 met four times in private.

The business which comes before the PC does not vary significantly from year to year and is primarily intended to obtain assurances on behalf of the Board, who are the statutory employer of all SFRS staff, regarding matters affecting employees. The RANSC formally report to the PC after each meeting. Monitoring of People and Training, Safety and Assurance (TSA) Directorates progress and performance and the RANSC Forward Plan feature regularly on the PC agenda and these enable future work priorities to be set.

The success of any organisation is critically related to the commitment and skill of its employees, and to its adherence to the culture and values it espouses. These in turn are underpinned by the policies and procedures it has in place, the arrangements and opportunities for learning, training, and development of staff so they may attain their full potential, and the quality of engagement and relations between the organisation and its representative bodies. The work of the PC and its RANSC seeks to assist me within my role as the Accountable Officer, the People Director, and her team together with the Strategic Leadership Team to plan and deliver effective policies and actions in this regard, and to provide appropriate assurance to the Board accordingly.

Further highlights of the PC's and RANSC's work during 2023/24 can be found via this link which takes you to their Committee Assurance Statement.

There were four meetings of the People Committee held during 2023/24, you can read who attended them here.

There were four meetings of the Remuneration, Appointments and Nominations Sub-Committee held during 2023/24, you can read who attended them here.

Integrated Governance Forum (IGF)

The IGF was formed in June 2017, initially termed as a group and until March 2020 a standing Committee of the Board, however following a review a decision was made to establish this as a Forum and use this as a basis for all Committee Chairs to meet regularly. Chaired by the Chair of the Board and made up of the Chairs of all other Committees, it reviews and discusses issues and key themes identified in specific governance Committees and as an outcome provides additional assurance to the board, ensuring a joined-up approach to corporate governance.

The Forum comprises five Non-Executive Members and during 2023/24 met four times. The Chief Officer and other Senior Managers were invited to attend the meetings as appropriate.

Good examples of Common Themes and/or areas of overlap included Data Quality, Cyber Security/ICT and Delegated Financial Authority. The Forum again recognised the importance of having an increased focus on risk to better inform decision making/scrutiny. The continual evolution to ensure good governance and the appropriate levels of scrutiny/focus by the Committees/Board were also recognised and that the implementation of integrated assurance mapping going forward, aligned to risk, would also focus attention on specific areas.

A business process map had been developed which detailed the procedure for inspections and audits and how the recommendations were actioned appropriately following due diligence.

During Committee workshops where their purpose, responsibilities and general business were reviewed, the consensus was that the IGF provides a required and valuable platform. The examples set out above demonstrate the benefit of having the Chairs of each Committee meet formally to ensure a joined-up approach to corporate governance and ensure continuous improvement across the Service.

There were four meetings of the Integrated Governance Forum held during 2023/24, you can read who attended them here.

Review of Board Effectiveness

The Board continues to be committed to developing its capacity and capability to be effective, and ensures that its performance, as well as the performance of individual Committees and individual Board Members is regularly reviewed.

Further highlights that demonstrate the Board's commitment to improving their effectiveness throughout 2023/24 can be found via this link.

In summary, collectively and through the detailed variety of examples within the report presented at the Board meeting (27 June 2024), it clearly demonstrates that progress continues to be made to improve the overall effectiveness of the Board.

Introduction of the SFRS Good Governance Framework approved by the Board in April 2022 builds on our Code of Corporate Governance ('the Code') and outlines our continued commitment to upholding high standards of corporate governance by setting out the principles and supporting characteristics being applied to ensure we are achieving our intended outcomes, while acting in the public interests at all times. The Framework will continue to be a living document and evolve as we strive to continually improve in everything we do. Importantly it embodies and supports our values of Safety, Teamwork, Respect, and Innovation.

As Accountable Officer I am therefore confident we comply with good governance standards as set out within our SFRS Governance and Accountability Framework demonstrating our continued commitment to delivering our intended outcomes in the best possible manner.

Risk Management Framework

The Audit and Risk Assurance Committee advises the Board and the Accountable Officer on the effectiveness of strategic processes for risk management and internal controls. During 2023/24, quarterly written and verbal reports to the Audit and Risk Assurance Committee and periodic reports from the Chair of the Audit and Risk Assurance Committee to the Board, provided assurance that appropriate systems of risk management and internal control were in place.

The SFRS recognises that it cannot eliminate the risk of disruption to its Service Delivery and that a residual level of risk will always remain. However, the risk management framework has been developed to minimise the likelihood and impact of risk causing disruption to SFRS strategic and operational activities.

The diverse range of services provided by SFRS is impacted by an ever changing and challenging environment, presenting internal and external pressures. SFRS is committed to a fully integrated risk management framework, managing, and scrutinising these pressures/exposures ensuring the successful achievement of key priorities.

The aim of the SFRS is to be risk aware, allowing innovation and aspiration, whilst actively managing risk through a range of measures to ensure key priorities are met. The risk framework, based upon the principles of the International Standard in Risk Management ISO 31000, establishes a consistent and effective framework integrated within the governance and assurance arrangements of the SFRS.

The focus throughout 2023/24 was the continued development of a risk aware culture, providing additional assurance to scrutiny bodies through the introduction of a Power BI risk dashboard. Aligned to our Strategic Outcomes and Risk Themes the dashboard provides an interactive at-a-glance view of all Directorate and Project risks and associated performance against agreed control actions. The dashboard, risk registers and ability to provide monthly updates assists the Service's governance processes, providing scrutiny bodies with a greater understanding of risk and Directorates with a management tool better suited to monitor and report on risk.

The management of risk is fully embedded throughout the Service, forming an integral element of all Committees and Executive Boards. Early engagement with the Board, Strategic Leadership Team and Directorates ensures the framework is effectively used to inform the decision-making process, allowing the Service to present a fair and reasonable reflection of the most significant risks impacting upon its operations.

Maturing the risk framework, allowing the Service to effectively consider and manage emerging risks and challenges, will further strengthen our governance process. However, the risk management framework is only one of the many governance tools available. Other important aspects are:

- SFRS Assurance Framework
- Internal and External Audit
- Business Planning
- Financial Management
- Fraud Policies and Procedures
- A Procurement Framework
- Human Resources
- Health, Safety and Wellbeing
- Information Governance
- Operational Assurance

The outcome of the risk and governance framework is an awareness of those risks with the potential to impact upon the intended outcomes of the Service, with the risk management framework providing a single consistent approach to the identification, assessment, and reporting of business risk across the Service.

Strategic Risk Register

The most significant risks identified by the SFRS are reported through Directorate risk registers, with additional information identified through Project risk registers. Prioritisation of each risk is undertaken in line with the SFRS's risk assessment matrix, with guidance provided to staff around probability and likelihood ratings.

Individual meetings with Board Members and Strategic Leadership Team have shaped the Register, increasing awareness and ownership of risk across the SFRS.

Risk update reports are provided quarterly to Audit and Risk Assurance Committee, all other Committees and Executive Boards highlighting the Services most significant risks.

Risk Registers are aligned to the SFRS 2022-25 Strategic Plan Outcomes, reflecting the service values and strategy, ensuring our work supports the priorities outlined within the Fire and Rescue Framework for Scotland 2022.

The Services most significant risks, at the time of reporting, are as follows:

Directorate Risk	Risk Rating
Cyber Security	20
Core Funding	16
Supply Chain Shortages	16
Pension Related Actions	16
Health and Safety Legal Compliance	16
Staff Resourcing and Capability	16
Training Facilities	16
Overspend of Expenditure	15
Command and Control Mobilising	15
Resources and Capacity	15
Delivery of Strategic Change	15

Risks will be managed collectively by the Strategic Leadership Team with each Director responsible for the creation, monitoring and integration of risk within their functions.

Scrutiny and assurance, as to the adequacy and effectiveness of controls, is undertaken through quarterly reporting to the Audit and Risk Assurance Committee and the Strategic Leadership Team and annually through the SFRS Assurance Framework. To ensure a consistent approach, additional reporting to Committees of the Board, and Executive Boards, will continue to be undertaken where deemed appropriate through spotlighting specific risks.

This consists of risks being selected from the register by the Committee or Executive Board and then presented through a combination of written or verbal reports, thus enabling scrutiny bodies to seek wider assurance that all necessary work is being undertaken to mitigate these wherever possible.

Review of Effectiveness of Risk Management and Internal Control

As Accountable Officer, I am responsible for reviewing the effectiveness of systems of risk management, internal control, and corporate governance. My review is formed by many sources, and includes the work of the Executive Directors, the Audit and Risk Assurance Committee, and the views of the organisation's internal and external auditors, as well as the outcomes of inspection work carried out by independent bodies such as HMFSI, Audit Scotland, Gateway Reviews. The key findings of the review are outlined below.

Assurance Framework

The SFRS Assurance Framework, provides a structured means of identifying and mapping the main sources of assurance in the organisation, and co-ordinating this evidence to provide an overall opinion of the adequacy and effectiveness of the SFRS's risk management, and internal control arrangements.

Development of the SFRS Good Governance Framework approved by the Board in April 2022 has further clarified and strengthened our governance arrangements. Proposals to develop our assurance mapping processes further, which now includes levels of assurance from Directors in Committee and Board level reports, have continued in 2023/2024.

Our risk-based assurance plan ensured that the assurance evidence being gathered and assessed for 2023/24 was focused on the most appropriate areas of the SFRS. The Assurance Framework was reviewed by Audit and Risk Assurance Committee on 26 March 2024 as part of the paper submitted in relation to the 'Arrangements for Preparing the AGS'.

Scottish Government engagement ensured the SFRS Assurance Framework and internal control checklist remained consistent with the Scottish Public Finance Manual. The Service engaged early in 2024, identifying changes to the checklist and incorporating these within the SFRS Assurance Framework.

To ensure increased governance and assurance around potential fraud activities within SFRS, all Heads of Function are required to complete a Fraud Risk Assessment of their function and provide details of any areas that have been identified as having risk of fraud. Risk ratings were provided for each risk and any actions to be taken to mitigate the risk were identified. Further training and input on this process was provided to assist Heads of Function in identifying further potential fraud considerations and to ensure risks are mitigated where possible.

Two incidents of fraud have been reported to the Audit and Risk Assurance Committee (ARAC) in 2023/24.

- A report to ARAC on 18th January 2024
- A report to ARAC on 26th March 2024

Both incidents have been reported to Police Scotland and both incidents were discussed with the Chief and Chair of ARAC in advance of the reports.

Following these incidents awareness of fraud throughout the organisation has increased and whilst a number of additional queries have been received, within the Risk and Audit Team, no other incidents of fraud have been identified at this time.

In addition to internal arrangements for the detection and prevention of fraud, SFRS also participates in the National Fraud Initiative (NFI), which is led in Scotland by Audit Scotland. The NFI is a proactive data matching exercise designed to identify and prevent fraud within a range of public sector organisations in Scotland.

The bi-annual exercise is undertaken by Finance and Procurement, with the Director of Finance and Contractual Services acting as the responsible senior officer. For the last exercise, 2022/23, 670 matches were identified with SFRS investigating 98% of matches received. Three errors in relation to payments were identified, totalling £3,847, with all monies successfully recovered.

The remaining matches involve external organisations and, with the assistance of Audit Scotland, the Service will continue to engage with these organisation to complete any required investigations. Where matches remain outstanding at the end of the exercise these will be incorporated within future NFI exercises.

SFRS has confirmed that no fraud was identified during the exercise and Audit Scotland, as External Auditors and as the NFI point of contact, have confirmed that they are happy with the Services approach.

These systems have been in place for the year under review and up to the date of approval of the annual report and accounts.

Following receipt of the Certificates of Assurance from all Directors, I can report that there are no significant matters that have been identified out with those risks already detailed on our risk register and I can therefore provide assurance that effective and standardised systems of control are in place and operating effectively. Accordingly, any necessary action will be taken by responsible managers to ensure continuous improvement is made in areas of development that have been identified during this process, and adequately addressed to enhance the effectiveness of our risk management and internal control arrangements. These areas of

further development are fully captured within the Improvement Actions Plans which are centrally stored within the Chief Officer Business Support SharePoint site and link where appropriate to Strategic and Directorate Risk Registers, building into our business as usual process. It is the responsibility of the Heads of Function to ensure quarterly updates on Improvement Action Plans and Fraud Risk Assessment progress, by exception reporting on a quarterly basis to the Corporate Board and ensure evidence against the areas highlighted is readily available, should this be required for further scrutiny by Internal / External Audit or Audit and Risk Assurance Committee. This gives me, as Accountable Officer, great comfort that we have robust processes in place, which remain under continual review.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee provides an Annual Report to the Board and Accountable Officer, summarising its evaluation of the SFRS's risk management, governance, and internal control arrangements. The Audit and Risk Assurance Committee has submitted its Committee Annual Report based upon the work it conducted during 2023/24 and believes the SFRS has effective risk management, governance and internal control arrangements in place that are sufficient to give me, as the Accountable Officer, the necessary assurance in relation to the preparation of this Annual Governance Statement.

Internal Audit

Internal Audit activity was undertaken in accordance with UK Public Sector Internal Audit Standards (PSIAS), which require AZETS to communicate on a timely basis all facts and matters that may have a bearing on their independence.

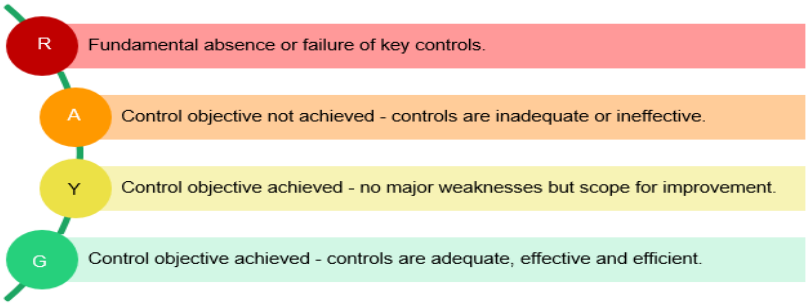
AZETS have confirmed that the staff members involved in each of the 2023/24 internal audit reviews were independent of SFRS and their objectivity was not compromised in any way and that their internal audit service conforms to the Public Sector Internal Audit Standards.

Azets concluded that "In our opinion, SFRS has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives.

The overall assurance provided by Azets in undertaking internal audit activity is set out in the Scottish Fire and Rescue Service Internal Audit Annual Assurance Statement 2023/24.
The table below provides a summary of the conclusions of individual audits undertaken in 2023/24:

Review	Control objective assessment	No. of issues per grading				
		4	3	2	1	Advisory
A.6 Budgetary Control		-	2	1	1	-
B.5 Equality, Diversity and Inclusion		-	-	5	-	-
C.8 Risk Assurance (Advisory Review)	N/A Advisory	-	2	1	-	2
D.3 Workforce Planning (On Call Firefighters)		-	-	5	-	-
D.6 Partnership Working		-	1	2	-	-
D.7 Contract Management		-	8	6	-	-

Control objective assessment definitions:



The 2023/24 Internal Audit Plan comprised 150 days of audit work and AZETS completed the full programme. AZETS confirm that there were no resource limitations that impinged on their ability to meet the full audit needs of SFRS, and no restrictions were placed on their work by management. AZETS did not rely on the work performed by a third party during the period.

External Audit

The Auditor General for Scotland appointed Audit Scotland as auditors to the SFRS covering the 12-month period ending 31 March 2024.

Audit Scotland presented their final report to the Audit and Risk Assurance Committee of Scottish Fire and Rescue Service (SFRS) for the 2022/23 audit issuing an unmodified audit opinion, further detail can be found via this link.

Information was provided by Audit Scotland to the Audit and Risk Assurance Committee on 26 March 2024, communicating the audit activity to be undertaken for the Scottish Fire and Rescue Service for the period 2023/24.

It is anticipated that the conclusions of the Audit will be reported to Audit and Risk Assurance Committee on 29 October 2024 and included within the Annual Report and Accounts for 2023/24.

His Majesty's Fire Service Inspectorate (HMFSI)

The SFRS has a duty under the Fire (Scotland) Act 2005 to have regard to any report given to it by HMFSI and to take such action as deemed fit. During the period under review, HMFSI published local area and thematic inspection reports, where further detail can be found via this link to their website.

HMFSI continue to present quarterly progress reports, presented by the Chief Inspector, or nominated representative, at every Audit and Risk Assurance Committee meeting during 2023/24. The report allows for monitoring of general progress against the HMFSI inspections and reporting activity. Our response to the recommendations and other key findings from the inspection reports published during 2023/24 continue to be monitored through robust governance arrangements with oversight and scrutiny of this work by the Audit and Risk Assurance Committee providing assurance at Committee level through to the Board. These mechanisms form part of SFRS's broader corporate governance arrangements and ensure that we are continuing to fully meet our statutory obligation by giving due regard to HMFSI inspection reports, and acting to continuously improve and transform the services we deliver to the communities of Scotland. As detailed earlier, HMFSI is now also an attendee at the quarterly SDC meeting.

Executive Directors

Executive Directors have responsibility for the development and maintenance of the risk management and internal control arrangements within their area of responsibility. They provide me as 'Accountable Officer' with a Certificate of Assurance covering a self-assessment of areas. The Directors, in turn receive individual Certificates of Assurance, and the actual supporting Internal Control Checklists themselves, from their Heads of Function, together with relevant Improvement Action Plans. Fraud Risk Action plans are also produced to address areas of potential fraud risk identified. Where applicable, Improvement and Fraud Risk Action Plans will be reported to the Corporate Board and Audit and Risk Assurance Committee by exception during 2024/25 to ensure continuous improvement against identified areas.

Significant Issues

My review confirms that overall, the SFRS has a proven and sound system of risk management and internal control arrangements in place that supports the achievement of our strategic aims and objectives, which is underpinned by our robust policies and procedures. No significant issues during 2023/24 have been identified.

As part of our on-going work and our commitment towards continuous improvement, where we have identified areas for development in both our risk and fraud management and internal controls arrangements, these will be addressed through specific Improvement and Fraud Risk Action Plans, for relevant managers where appropriate.

ACCOUNTABLE OFFICER:

Ross Haggart
Chief Officer

ORGANISATION: Scottish Fire and Rescue Service

31 October 2024

REMUNERATION AND STAFF REPORT

The sections marked "*" in this Remuneration Report have been audited by the SFRS's external auditor, Audit Scotland. The other sections of the Remuneration Report are reviewed by Audit Scotland to ensure they are consistent with the financial statements.

*Remuneration of Board Members

Fees for Non-Executive Board Members are determined in accordance with guidelines prescribed by the Scottish Government – Public Sector Pay Policy for Senior Appointments. The normal term of office for a member is a period not exceeding four years. The average time spent on SFRS business was 48 days in 2023/24 and 63 days in 2022/23. There were no bonuses, compensation for loss of office, benefits in kind or pension benefits paid to Board Members during this year or the previous year. The amounts paid to each Board Member are shown in the tables below:

Name and Title	2023/24 Total bands of £5,000 £000s
Kirsty Darwent (*Chair)*	60-65
Fiona Thorburn *(Deputy Chair)*	20-25
Tim Wright	10-15
Mhairi Wylie	15-20
Lesley Bloomer *(resigned 31 July 2023)*	0-5
Nick Barr *(resigned 31 July 2023)*	0-5
Malcolm Payton	10-15
Brian Baverstock	20-25
Paul Stollard	5-10
Stuart Ballingall	10-15
Steven Barron	10-15
Angiolina Foster	10-15
Madeline Smith *(appointed 18 December 2023)*	0-5
Neil Mapes *(appointed 18 December 2023)*	0-5
Therese O'Donnell *(appointed 18 December 2023)*	0-5
Andrew Smith *(appointed 18 December 2023)*	0-5

Name and Title	2022/23 Total bands of £5,000 £000s
Kirsty Darwent (*Chair)*	65-70
Fiona Thorburn *(Deputy Chair)*	20-25
Tim Wright	5-10
Mhairi Wylie	15-20
Lesley Bloomer *(resigned 31 July 2023)*	5-10
Nick Barr *(resigned 31 July 2023)*	15-20
Malcolm Payton	5-10
Brian Baverstock	15-20
Paul Stollard	5-10
Stuart Ballingall	10-15
Steven Barron	10-15
Angiolina Foster	10-15

***Remuneration of Senior Employees of the Board**

Reporting bodies are required to disclose a single total figure for remuneration for each senior employee.

The salary levels of Chief Officers (Assistant Chief Officer and above) are determined locally by Fire and Rescue Authorities / Boards, with consideration being given to guidance issued by the National Joint Council for Brigade Managers. The pay for the Non-Uniformed Director posts is determined locally by the Scottish Fire Rescue and Service.

The salary, allowances, benefits in kind and pension related benefits of the Strategic Leadership Team are shown by band in the following table. There were no bonuses or compensation for loss of office paid to the Strategic Leadership Team during the year. Full-time equivalent salaries are shown alongside the relevant name where appointments started or finished during the year, with 'salary bands' being reflective of both the appointments and their salary in previous Strategic Leadership Team roles within 2023/24.

	2023/24			
Name and Title	**Salary Bands of £5,000**	**Benefits In Kind to nearest £100 [2]**	**Pension-related Benefits - annual increase in pension entitlement bands of £2,500**	**Total bands of £5,000**
	£000s	**£000s**	**£000s**	**£000s**
Ross Haggart, Chief Officer *(FTE Salary 190.0 – 195.0)* [3]	195 - 200	0	405.0 - 407.5	600 - 605
Stuart Stevens, Deputy Chief Officer *(Interim appointment from 1/7/2022 and substantive appointment from 20/4/2023, FTE salary 165.0 – 170.0)* [3]	165 - 170	0	205.0 - 207.5	375 - 380
Andrew Watt, Assistant Chief Officer *(FTE 150.0 – 155.0)* [3]	155 - 160	0	182.5 - 185.0	340 - 345
David Lockhart, Assistant Chief Officer *(Interim appointment 28/6/2022 and substantive appointment 20/4/2023, FTE 150.0 – 155.0)* [3]	150 – 155	0	547.5 - 550.0	700 - 705
David Farries, Assistant Chief Officer *(Interim appointment 1/7/2022 and substantive appointment 20/4/2023, FTE 150.0 – 155.0)* [3]	150 – 155	0	442.5 - 445.0	595 - 600
Elizabeth Barnes, Interim Deputy Chief Officer Corporate Services *(FTE 130.0 – 135.0)* [2, 3]	135 – 140	6.2	30.0 - 32.5	170 - 175

Mark McAteer, Director of Strategic Planning, Performance and Communications *(FTE 120.0 – 125.0)* [3]	125 - 130	0	107.5 - 110.0	235 - 240
Sarah O'Donnell, Director of Finance and Contractual Services *(returned from secondment 1 November 2023, FTE 120.0 – 125.0)* [2 ,3]	125 - 130	4.7	70.0 - 72.5	200 -205
Lyndsey Gaja, Interim Director of People *(appointed 1 November 2023, FTE 120.0 – 125.0)* [3]	105 - 110	0	45.0 - 47.5	150 - 155
John Thomson, Acting Director of Finance and Procurement*, (Interim appointment 12/04/21 to 30/10/23, FTE 95.0 – 100.0). Left SFRS 9/2/2024.* [3, 4]	90 - 95	0	7.5 - 10.0	100 - 105
Iain Morris, Acting Director of Asset Management, *(Interim appointment 12/04/21 to 30/10/23, FTE 95.0 – 100.0. Retired from SFRS 22/3/24*) [1, 3, 4]	105 - 110	0	0	105 – 110

1 Iain Morris's accrued annual pension (adjusted for inflation) is less than the amount he paid in employee pension contributions resulting in a decrease in pension related benefits due to his retiral during the financial year. This is to be reported as a zero pension change.
2 Benefits in Kind relates to provided cars.
3 Pay arrears covering 2022 and 2023 were paid in June 2023. The 2024 pay award was paid in February 2024.
4 John Thomson and Iain Morris were both in temporary positions during Sarah O'Donnell's secondment to the Scottish Government. Sarah returned to her substantive post on 1 November 2023.

	2022/23			
Name and Title	**Salary Bands of £5,000**	**Benefits In Kind to nearest £100 [2]**	**Pension-related Benefits - annual increase in pension entitlement bands of £2,500**	**Total bands of £5,000**
	£000s	**£000s**	**£000s**	**£000s**
Martin Blunden, Chief Officer *(left 31/8/2022, FTE salary 185.0 – 190.0)*	85 - 90	0	10.0 – 12.5	95 – 100
Ross Haggart, Chief Officer *(Interim appointment from 1/7/2022 and substantive appointment from 2/3/2023, FTE salary 180.0 – 185.0)* [1, 3]	165 - 170	0	0	165 – 170
John Dickie, Assistant Chief Officer *(left 29/8/2022, FTE salary 135.0 – 140.0)*	55 - 60	0	7.5 – 10.0	65 – 70
Paul Stewart, Assistant Chief Officer *(left 29/6/2022, FTE salary 135.0 – 140.0)* [1]	30 - 35	0	0	30 – 35

Stuart Stevens, Deputy Chief Officer *(Interim appointment from 1/7/2022 and substantive appointment from 20/4/2023, FTE salary 145.0 – 150.0)* [1, 3]	145 - 150	0	0	145 – 150
Andrew Watt, Assistant Chief Officer *(appointed 1/6/2022, FTE salary 135.0 – 140.0)* [3]	125 - 130	0	285.0 – 287.5	415 – 420
David Lockhart, Assistant Chief Officer *(Interim appointment 28/6/2022 and substantive appointment 20/4/2023, FTE salary 135.0 – 140.0)* [1, 3]	125 - 130	0	0	125 – 130
David Farries, Assistant Chief Officer *(Interim appointment 1/7/2022 and substantive appointment 20/4/2023, FTE salary 135.0 – 140.0)* [1, 3]	125 - 130	0	0	125 – 130
Elizabeth Barnes, Interim Deputy Chief Officer Corporate Services*, (interim appointment from 1/12/2022, FTE 115.0 – 120.0)* [2, 3]	110 - 115	6.0	35.0 - 37.5	155 – 160
Mark McAteer, Director of Strategic Planning, Performance and Communications [1, 3]	110 – 115	0	0	110 – 115
John Thomson, Acting Director of Finance and Procurement*, (Interim appointment 12/04/21 to 30/10/23*) [1, 3, 4]	95 – 100	0	0	95 - 100
Iain Morris, Acting Director of Asset Management, *(Interim appointment 12/04/21 to 30/10/23*) [1, 3, 4]	95 – 100	0	0	95 - 100

1 There has been a real term decrease in the annual review of pension related benefits for these employees in 2022/23, caused by a large increase in CPI inflation. Their accrued annual pension (adjusted for inflation) is less than the amount they paid in employee pension contributions. This is to be reported as a zero pension change.
2 Benefits in Kind relates to provided cars.
3 It should be noted that the Brigade Manager's pay award as of January 2022 and 2023 was still outstanding at 31/03/2023. The pay award was agreed in May 2023 so is not reflected in the figures above.
4 John Thomson and Iain Morris were both in temporary positions during Sarah O'Donnell's secondment to the Scottish Government for financial year 2022/23. Sarah returned to her substantive post on 1 November 2023.

Employees Remuneration by Pay Band

The employees of the Service receiving more than £50,000 remuneration for the period (including those named above, but excluding employer's pension contributions) were paid the following amounts:

Remuneration Band £s	2023/24 Number of employees	2022/23 Number of employees
50,000 - 54,999	245	236
55,000 - 59,999	161	162
60,000 - 64,999	152	80
65,000 - 69,999	44	46
70,000 - 74,999	51	29
75,000 - 79,999	9	8
80,000 - 84,999	13	8
85,000 - 89,999	4	6
90,000 – 94,999	7	5
95,000 – 99,999	4	4
100,000 – 104,999	2	0
105,000 – 109,999	2	0
110,000 - 114,999	0	1
115,000 – 119,999	0	0
120,000 – 124,999	0	2
125,000 – 129,999	2	3
140,000 – 144,999	1	1
155,000 – 159,999	3	0
165,000 – 169,999	1	1
195,000 - 199,999	1	0
TOTAL	**702**	**592**

The table reflects the impact of inflationary pay awards bringing more employees above the £50,000 pay band, where the bandings themselves have not changed. Ranges that are not included above have zero employees within that band.

Ratio of Median Remuneration of All Staff Compared to Highest Paid Director Remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The table below includes the median remuneration of the SFRS staff, and the ratio between this and the mid-point of the highest paid director (the Chief Officer), including salary and benefits in kind.

	2023/24 £	2022/23 £	% change
Range of Staff Remuneration	£2,718 - £192,778	£2,588 - £180,833	5.02% - 6.61%
Staff Average	£26,106	£24,692	5.73%
Highest Paid Director (mid-point banded) remuneration including benefits in kind	£192,500	£182,500	5.48%

The range of salaries above covers all staff categories (which can be found below in the Workforce Structure section of this Report). The lowest range of salary reported above relates to Retained personnel who are paid an annual retaining fee which is 10% of a full time basic annual salary.

The staff average has increased by 5.73% as a result of the pay increases awarded in 2023: 5% for operational personnel and 5% for support staff.

It should be noted that the Brigade Manager's pay awards for January 2022 at 4% and 2023 at 3.5%, were both agreed in May 2023 and paid in June 2023. The 2024 pay award was 3% and paid in February 2024.

Median Pay	£28,310	£26,962	5.00%
Ratio between highest earning director's total remuneration and the median	6.8	6.8	0.00%

The median pay for 2022/23 and 2023/24 was a Firefighter Development role. This reflects the current pay, rewards and progression arrangements for the Service.

25% Percentile	£3,623	£3,450	5.01%
Ratio between highest earning director's total remuneration and the 25th percentile	53.1	52.9	0.38%

The 25% percentile for 2022/23 and 2023/24 was an On-Call Firefighter competent role.

75% Percentile	£38,501	£36,337	5.96%
Ratio between highest earning director's total remuneration and the 75th percentile	5.0	5.0	0.00%

The 75% percentile of the workforce has changed from a control room crew commander in a competent role in 2022/23 to a wholetime crew commander in a development role in 2023/24.

In 2023/24, no employees (nil in 2022/23) received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

**Pension Benefits*

The pension entitlements of Senior Employees for the period to 31 March 2024 are shown in the table below, together with the contribution made by the Service to each Senior Employee's pension during the period.

From 1st April 2022 all Officers were transferred to the 2015 Scheme which is a Career Average Revalued Earnings (CARE) scheme rather than a final salary pension scheme. The pension benefits of the 2015 Scheme are based on earnings received within each year worked, which are index-linked and totalled on retirement to provide an annual pension.

Prior to transferring to the 2015 Scheme the Chief, Deputy and Assistant Chief Officers were members of the Firefighters' Pension Scheme (FPS), Both are unfunded schemes, meaning there are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due. The normal retirement age for those in the FPS is 55, or between 50 and 55 on reaching 30 years' service, and 60 for the 2015 Scheme.

Pension benefits for the Directors and Deputy Chief Officer Corporate Services are provided through the Local Government Pension Scheme (LGPS), which is a CARE Scheme. The normal retirement age is the State Pension Age.

The pension figures shown in the following table relate to the benefits that the person has accrued as a consequence of their pensionable service within the scheme, and not just their current appointment. The disclosure requirement is to reflect pension benefits within bandings of £5,000, however only the top of the range is shown in the following tables. In addition to this the real increase during the reporting year in the pension is reported in bands of £2,500. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. When a member leaves a scheme and chooses to transfer the benefits accrued in their former scheme to a new scheme the CETV is the payment which would be transferred.

Name and Title	Accrued Benefits at age 60 as at 31 March 2024 Bands of £5,000		Real increase as at 31 March 2024 Bands of £2,500		Cash Equivalent Transfer Value		
	Pension £000s	Lump Sum £000s	Pension £000s	Lump Sum £000s	At 31 March 2024 £000s	At 31 March 2023 £000s	Real increase/ (decrease) £000s
Ross Haggart, Chief Officer	110 - 115	0	435.0 – 437.5	0	1,926	1,263	594
Stuart Stevens, Deputy Chief Officer *(Interim appointment from 1/7/2022 and substantive appointment from 20/4/2023)*	75 - 80	0	230.0 – 232.5	0	1,250	845	354
Andrew Watt, Assistant Chief Officer	70 - 75	0	207.5 – 210.0	0	1,306	932	321
David Lockhart, Assistant Chief Officer *(Interim appointment 28/6/2022 and substantive appointment 20/4/2023)*	80 - 85	0	570.0 – 572.5	0	1,484	793	642
David Farries, Assistant Chief Officer *(Interim appointment 1/7/2022 and substantive appointment 20/4/2023)*	70 - 75	0	465.0 – 467.5	0	1,222	661	518
Elizabeth Barnes, Interim Deputy Chief Officer Corporate Services, [1]	20 - 25	0	42.5 – 45.0	0	358	255	81
Mark McAteer, Director of Strategic Planning, Performance and Communications [1]	60 - 65	75 - 80	122.5 – 125.0	7.5 – 10.0	1,218	913	263
Sarah O'Donnell, Director of Finance and Contractual Services *(returned from secondment 1 November 2023)* [1]	60 - 65	85 - 90	82.5 – 85.0	2.5 – 5.0	1,273	988	240
Lyndsey Gaja, Interim Director of People *(appointed 1 November 2023)* [1]	5 - 10	0	55.0 – 57.5	0	65	34	20
John Thomson, Acting Director of Finance and Procurement *(Interim appointment 12/04/21 to 30/10/23. Left SFRS 9/2/2024)* [1]	55 - 60	85 - 90	15.0 - 17.5	2.5 – 5.0	1,093	877	179
Iain Morris, Acting Director of Asset Management *(Interim appointment 12/04/21 to 30/10/23. Retired from SFRS 22/3/2024)* [1, 2]	50 - 55	95 - 100	0	0	1,229	1,137	45

[1] Denotes members of the LGPS, the others are members of the Firefighters' Pension Scheme.

[2] There has been a decrease in the annual review pension related benefits because their accrued annual pension is less than the amount, they paid in employee pension contributions. This is to be reported as a zero pension.

The table below shows comparative figures for 2022/23:

Name and Title	Accrued Benefits at age 60 as at 31 March 2023 Bands of £5,000		Real increase as at 31 March 2023 Bands of £2,500		Cash Equivalent Transfer Value		
	Pension £000s	Lump Sum £000s	Pension £000s	Lump Sum £000s	At 31 March 2023 £000s	At 31 March 2022 £000s	Real increase/ (decrease) £000s
Martin Blunden, Chief Officer *(left 31/8/2022)*	40 - 45	0	20.0 – 22.5	0	732	63	3
Ross Haggart, Chief *Officer (Interim appointment from 1/7/2022 and substantive appointment from 2/3/2023)* [2]	85 - 90	0	0	0	1,263	1,182	(61)
John Dickie, Assistant Chief Officer *(left 29/8/2022)*	90 - 95	0	15.0 – 17.5	0	2,053	1,545	436
Paul Stewart, Assistant Chief Officer *(left 29/6/2022)* [2]	85 - 90	0	0	0	2,117	1,439	638
Stuart Stevens, Deputy Chief Officer *(Interim appointment from 1/7/2022 and substantive appointment from 20/4/2023)* [2]	60 - 65	0	0	0	845	806	(61)
Andrew Watt, Assistant Chief Officer *(appointed 1/6/2022)*	60 - 65	0	302.5 - 305.0	0	932	638	225
David Lockhart, Assistant Chief Officer *(Interim appointment 28/6/2022 and substantive appointment 20/4/2023)* [2]	50 - 55	0	0	0	793	730	(3)
David Farries, Assistant Chief Officer *(Interim appointment 1/7/2022 and substantive appointment 20/4/2023)* [2]	45 - 50	0	0	0	661	624	(20)
Elizabeth Barnes, Interim Deputy Chief Officer Corporate Services*, (interim appointment from 1/12/2022)* [1]	15 - 20	0	45.0 – 47.5	0	255	216	5
Mark McAteer, Director of Strategic Planning, Performance and Communications [1, 2]	50 - 55	65 - 70	0	0	913	866	(51)
John Thomson, Acting Director of Finance and Procurement *(Interim appointment 12/04/21 to 30/10/23*) [1, 2]	50 - 55	80 - 85	0	0	877	831	(47)
Iain Morris, Acting Director of Asset Management *(Interim appointment 12/04/21 to 30/10/23* [1, 2]	55 - 60	90 - 95	0	0	1,137	1,085	(67)

[1] Denotes members of the LGPS, the others are members of the Firefighters' Pension Scheme.

[2] There has been a decrease in the annual review pension related benefits because their accrued annual pension is less than the amount, they paid in employee pension contributions. This is to be reported as a zero-pension change from 2021/22.

[5] Sarah O'Donnell was on secondment for financial year 2022/23.

Notes

1. The employer's contribution rate for the 2015 Scheme is 26.8% of pensionable pay. The employer's contribution for those in the LGPS is 19.3% of pensionable pay in 2023/24. There is no change in contribution rates from 2022/23.

2. The Firefighters' Pension Scheme, 2015 Scheme and LGPS have different contribution rates and different benefits. The FPS pension benefits are presented as unreduced pension benefits, i.e., there is no automatic lump sum, as members have the option not to commute an element of their annual pension until the point at which they retire. Benefits accrue on a 1/60th basis per year, which increases to 2/60ths per year when the employee reaches 20 years of service. An employee can elect to commute, or give up, up to 25% of their annual pension to receive a lump sum. For example, an officer aged 50 with 30 years of service would receive a lump sum of £22,400 for every £1,000 annual pension commuted, although this figure is variable dependent on age and service.

3. For those in the 2015 Scheme the current accrual rate is 1/61.6 of pensionable pay in each year. The tax-free lump sum option at retirement is £12 of lump sum for every £1 of annual pension given up with a current maximum of 25% of the employee's pension fund. Normal pension age is 60 (deferred pension age linked to State Pension age). There are early retirement options from age 55 subject to actuarial reduction to age 60.

4. For those employees in interim posts during 2022/23 it should be noted that acting up is not pensionable under the Fire 2015 Pension Scheme. The employee contribution rates are tiered based on salary; those noted above contributed 14.5% of their salary in 2023/24.

5. For those employees who joined the LGPS before 1 April 2009 their accrued pension benefits include elements for both lump sum and annual pension. This guarantees a pension based on 1/80th accrual rate, and a lump sum based on 3/80th of final pensionable salary and years of pensionable service prior to this date. The conditions of the LGPS changed with effect from 1 April 2009, after which benefits are accrued on 1/60th basis with no automatic right to a lump sum. The employee may however, elect to reduce their annual pension to receive a lump sum in the same manner as members of the Firefighters' Pension Schemes. For example, an employee would receive a lump sum of £12,000 for every £1,000 annual pension commuted, irrespective of age or service. The employee contribution rates are tiered based on salary; those noted above contributed between 9.5% and 10% of their salary in 2023/24.

Exit Packages

There were two exit packages paid in 2023/24 (nil in 2022/23) due to the closure of a volunteer fire station at Leadhills. These were compulsory redundancies and both payments were less than £10,000. Both individuals received statutory redundancy payments in line with Government guidelines and all exit costs were paid for in year of departure.

Off-payroll Engagements

The tables below show off-payroll appointments as of 31 March 2024, earning at least £245 per day.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater.

	2023/24
Number of existing engagements as of 31 March 2024 of which:	7
Number that have existed for less than one year at time of reporting	4
Number that have existed for between one and two years at time of reporting	2
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	1

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater.

	2023/24
No. of temporary engagements, between 1 April 2023 and 31 March 2024 of which:	5
Not subject to off-payroll legislation	5
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	5
Number of engagements reassessed for compliance or assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following review of which:	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.

	2023/24
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or senior officials with significant financial responsibility,” during the financial year. This figure should include both on payroll and off-payroll engagements.	0

Staff Numbers and Related Costs

Details of staff numbers and costs are shown below as well as in Note 4 to the financial statements. The average number of persons employed in the year ended 31 March 2024 was 7,516 (7,619 in 2022/23). There were 6,672 pensioners in the Firefighter Pension Schemes at 31 March 2024 (6,558 at 31 March 2023).

Related costs are shown in the following table:

	Year ended 31 March 2024			Year ended 31 March 2023		
	Permanent	**Others**	**Total**	**Permanent**	**Others**	**Total**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Wages and Salaries	211,186	0	211,186	202,114	0	202,114
Employer Pension Contribution Costs	49,554	0	49,554	46,756	0	46,756
Social Security Costs	21,021	0	21,021	20,705	0	20,705
Sub-total	**281,761**	**0**	**281,761**	**269,575**	**0**	**269,575**
IAS19 pension costs charged to net expenditure	(90,594)	0	**(90,594)**	(12,573)	0	**(12,573)**
Other staff related costs	8,726	406	**9,133**	7,916	974	**8,890**
Staff Costs	**199,893**	**406**	**200,300**	**264,918**	**974**	**265,892**
Firefighter Pension	137,563	0	**137,563**	145,449	0	**145,449**
Unfunded LGPS Benefits	573	0	**573**	533	0	**533**
Total net costs	**338,029**	**406**	**338,436**	**410,900**	**974**	**411,874**

Employer Pension Contributions relate to current employees. *Firefighter Pensions* represents lump sums and monthly pension payments made to retired members of the uniformed pension schemes. *Other unfunded LGPS benefits* relate to unfunded pension benefits paid to pensioners.

Note that the total of £0.406 million shown under “Others” for the year ended 31 March 2024, (£0.974 million for the year ended 31 March 2023) represents the costs of staff employed on temporary contracts through employment agencies.

Workforce Structure

Our workforce structure is continuously monitored and is formally reported on a monthly and quarterly basis. Consideration is given to the authorised Target Operating Model (TOM) against the full-time equivalent headcount. The variance is identified by analysing the leaver profile across all uniformed and support staff roles.

	Workforce profile as of 31 March 2024			Workforce profile as of 31 March 2023		
	TOM*	**Head-count**	**FTE**	**TOM***	**Head-count**	**FTE**
Strategic Leadership Team	9	9	9	9	9	9
Wholetime 5WDS**	2,855	2,828	2,825	3,021	2,901	2,899
Off Station	360	334	334	363	327	326
Rural FT	58	55	54	55	55	54
Flexi Duty	261	256	256	263	257	257
Control	174	171	166	179	172	168
RDS***	3,309	2,712	2,293	3,309	2,735	2,333
Volunteer***	384	269	269	384	266	266
Support	920	882	825	969	897	846
Total	**8,330**	**7,516**	**7,031**	**8,552**	**7,619**	**7,158**

**Includes temporary resource requirements for Initiatives (including externally funded), Projects and Business Cases.*
***Reflects reduced interim Target Operating Model (TOM) introduced Sep-23.*
****Figures shown are based on legacy TOM requirements for RDS and Volunteer colleagues, which are currently under review.*

The Service continues to review and develop our approach to workforce planning in the operating environment of complex organisational change and the dynamic impacts of the Pensions Remedy on the retirement profile of Uniformed staff. Workforce planning data, analysis and reporting has been refined and enhanced, supporting data driven and evidence led decision making at a strategic level in regard to recruitment, selection, and promotional activity to maintain current agreed structures.

Our Talent Acquisition approach has been reviewed to deliver a more flexible, responsive, and inclusive approach to support our establishment levels. This has included broadening methods of attractions, revising processes to ensure they are timely and effective and improve the candidate experience. A review of our recruitment strategy for Operations Control to improve awareness of the role through our external communications and increase the number of applications was successfully piloted during 2023/24 and will be incorporated into a National Control recruitment campaign in 2024/25.

As part of the On Call Improvement Programme, the People Directorate is progressing actions aligned to the On Call Firefighter Attraction and Recruitment Project resulting in an improved Recruitment and Selection process. This has included improved guidance to support both candidates and recruiting managers and evaluation of the On Call to Wholetime migration pilot process to inform future evolution. Pivotal to the new process is the introduction of a Pre-Recruitment Engagement Programme (PREP) aimed at providing 1:1 support and guidance to help candidates prepare for the formal fitness assessment and the practical selection tests. The PREP arrangements will be evaluated during 2024/25 to assess whether this is having a positive impact on both candidate experience and onboarding rates.

Absence Data

The tables below provide the data on the overall recorded absences by staff group for the two fiscal years 2022/23 and 2023/24, shown as percentages.

Our Attendance Management and Wellbeing arrangements are focused on providing early support to colleagues to seek to prevent absence from work where possible. Careful management of attendance gives us the tools to support our staff back to work at the earliest

opportunity, including in an amended capacity where appropriate and practicable. The data below shows long-term and short-term absences, with decreases from 2022/23 to 2023/24 highlighted in green.

To ensure the safety and welfare of employees, we maintain a strong focus on wellbeing initiatives, support, and attendance management. Attendance Management training sessions continue to be rolled out to managers to ensure that they were equipped to support their employees and assist them in returning to the workplace.

Long-Term Absence 2023/24				
Staff Group	**Q1**	**Q2**	**Q3**	**Q4**
Wholetime	3.23%	4.03%	3.82%	3.60%
Retained	2.53%	2.63%	2.77%	2.72%
Volunteer	0.65%	0.50%	1.15%	1.38%
Control	6.18%	5.64%	7.38%	6.65%
Support	4.56%	4.21%	4.04%	3.54%

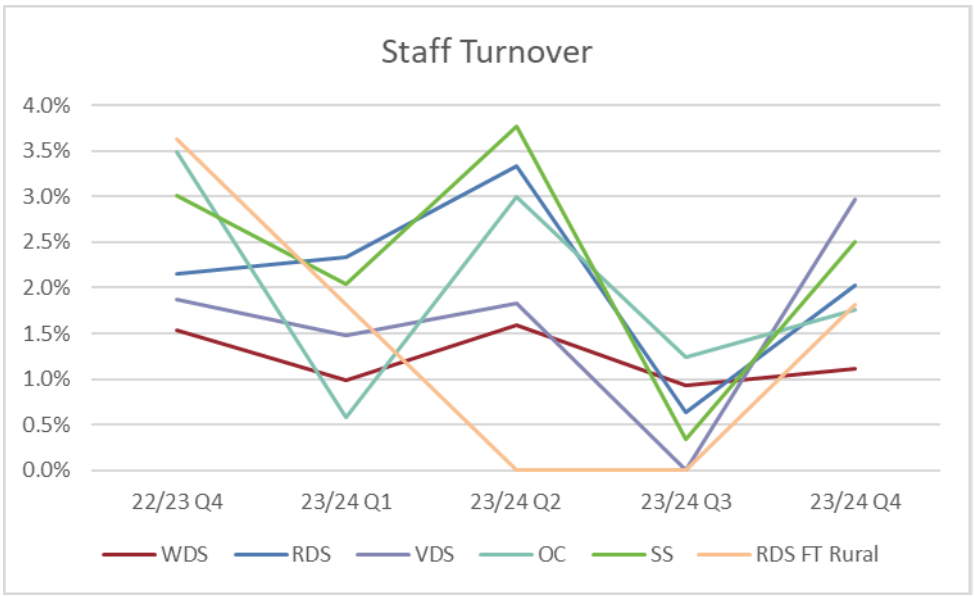
Long-Term Absence 2022/23				
Staff Group	**Q1**	**Q2**	**Q3**	**Q4**
Wholetime	3.43%	3.33%	3.07%	2.95%
Retained	2.62%	2.78%	2.64%	2.41%
Volunteer	1.09%	1.41%	0.77%	0.37%
Control	8.70%	9.17%	6.77%	5.03%
Support	3.13%	3.57%	3.32%	3.05%

Short-Term Absence 2023/24				
Staff Group	**Q1**	**Q2**	**Q3**	**Q4**
Wholetime	1.77%	1.92%	2.33%	2.11%
Retained	0.92%	0.99%	1.08%	1.14%
Volunteer	0.01%	0.34%	0.11%	0.27%
Control	1.90%	3.78%	4.30%	3.32%
Support	1.22%	1.37%	1.56%	1.60%

Short-Term Absence 2022/23				
Staff Group	**Q1**	**Q2**	**Q3**	**Q4**
Wholetime	3.17%	2.44%	2.57%	1.96%
Retained	2.01%	1.27%	1.19%	1.23%
Volunteer	0.66%	0.18%	0.06%	0.00%
Control	4.35%	2.80%	4.65%	3.16%
Support	2.06%	1.51%	1.97%	1.49%

Staff Turnover

2023/24	Wholetime (WDS)	Retained (RDS)	Volunteer (VDS)	Operations Control (OC)	Support Staff (SS)	RDS FT Rural	SFRS Total
Q1	0.98%	2.33%	1.48%	0.58%	2.04%	1.82%	1.59%
Q2	1.59%	3.33%	1.82%	2.99%	3.78%	0.00%	2.47%
Q3	0.92%	0.63%	0.00%	1.24%	0.34%	0.00%	0.71%
Q4	1.11%	2.03%	2.97%	1.75%	2.51%	1.82%	1.68%



While the Wholetime turnover rate has remained broadly stable, impacts from the Pension remedy and subsequent effect on our retirement profile continue to be monitored, reviewed, and reported on to ensure shared situational awareness at a strategic level.

Historical challenges with On Call (which includes both Retained and Volunteer employee groups) attraction and retention are being addressed by the On Call Strategic Co-ordination Group, with strategies being developed and implemented to support On Call employee engagement, attraction, and retention.

Operations Control (OC) turnover has decreased slightly due to several factors including a review of recruitment procedures and delivery of a programme of health and wellbeing support to OC staff improving retention.

A range of measures have been scoped and developed to aid attraction and retention of Support Staff within a highly competitive market, including work on the Service's approach to job evaluation, improvements to the pay and reward framework, targeted use of Market Allowances, and a review of attraction and selection methods.

Gender Pay Gap

In accordance with the requirements set out in Section 149 of the Equality Act 2010 (the Public-Sector Equality Duty) and The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, the SFRS publishes information about the gender pay gap every two years.

In April 2023, we published our Equality Pay and Gender Pay Gap Report 2023. This reports on the Pay Gap within the SFRS between male and female employees, those with disabilities, and those from Black and Ethnic Minority communities. It demonstrates that, on average, women within the SFRS now earn 2.98% more than their male counterparts. The report provides an occupational segregation profile of the SFRS, which identifies the percentages of men and women working in different sections and levels of our Service and highlights the actions and initiatives that the SFRS is taking to achieve a workforce profile that represents the communities we serve.

The 2023 Report demonstrates a significant divergence in the gender profiles of our Uniformed and Support Staff employee groups. Women are equally represented within the three upper quartiles of the support staff structure. In contrast, the Uniformed workforce is composed of 91% males. This figure demonstrates a continuing, albeit slow, increase in the number of female Firefighters within the SFRS, and is accompanied by an increase in the numbers of women within supervisory and middle management roles, along with the first female employee to be promoted to a strategic management role within the uniformed structure.

Supporting Equality, Diversity, Human Rights and Inclusion

The Strategic Plan 2022-25 describes our aspiration to be a world leading fire and rescue service, to create 'a great place to work' and meet 'diverse community risks'. To do this, we know that equality, diversity, and inclusion must be embedded in everything we do.

The review of the Equality and Human Rights Impact Assessment process (EHRIA) has now been completed and a revised model has commenced governance stages before its formal implementation. The revised model strengthens the implementation phases of a policy launch through the addition of action planning stages and enhanced monitoring requirements. These changes are intended to reduce the differential between the intended impact of a policy and its actual impact and highlight any negative impact much sooner following policy launch.

A review of our Equality Partnership Group was conducted following the internal audit of Mainstreaming Equality, Diversity, and Inclusion in September 2023. In response to a recommendation from the auditors a revised Terms of Reference has been developed expanding the role of the Group to examine additional matters such as progress in the completion of EHRIAs and the progression of the Gaelic Language Plan.

We continue to work with partners to learn, share and collaborate on a range of equality related matters. We work with our Justice sector colleagues in the Cross-Justice Sector Working Group on Race and Workforce to identify and address any structural barriers our workplaces pose for ethnic minority communities. We support the delivery of our Corporate Parenting Plan by sharing notable practice with other public bodies and Who Cares? Scotland and have a number of informal networking relationships on topics such as children's rights, sexual safety in the workplace and data capture.

Gender as at 31 March 2024					
	Headcount	**Male**	**Female**	**Male**	**Female**
Principal Officers	**9**	**6**	**3**	**66.67%**	**33.33%**
Wholetime 5 WDS*	2,828	2,656	172	93.92%	6.08%
Off Station*	334	297	37	88.92%	11.08%
Rural FT	55	47	8	85.45%	14.55%
Wholetime Flexi Duty	256	244	12	95.31%	4.69%
Control	171	29	142	16.96%	83.04%
RDS	2,712	2,521	191	92.96%	7.04%
Volunteer	269	227	42	84.39%	15.61%
Support	882	404	478	45.80%	54.20%
Total	**7,516**	**6,431**	**1,085**	**85.56%**	**14.44%**

**Includes Wholetime Trainees*

Figures from 2022/23 can be seen for comparison:

Gender as at 31 March 2023					
	Headcount	**Male**	**Female**	**Male**	**Female**
Principal Officers	**9**	**8**	**1**	**88.89%**	**11.11%**
Wholetime 5 WDS*	2,901	2,722	179	93.83%	6.17%
Off Station*	327	291	36	88.99%	11.01%
Rural FT	55	46	9	83.64%	16.36%
Wholetime Flexi Duty	256	245	11	95.70%	4.30%
Control	172	28	144	16.28%	83.72%
RDS	2,735	2,550	185	93.24%	6.76%
Volunteer	266	226	40	84.96%	15.04%
Support	898	414	484	46.10%	53.90%
Total	**7,619**	**6,530**	**1,089**	**85.71%**	**14.29%**

**Includes Wholetime Trainees*
***Principal Officers*

The SFRS continues to work towards a workforce that is more representative of the communities of Scotland. Positive action activities continue to run locally, as part of the

devolved framework that has been adopted. These are also continuing to embed into SFRS recruitment, selection, promotion, and development processes on an iterative basis.

The Service has developed a Cultural Action plan and a priority within this is to attract and support a more diverse candidate pool. This includes understanding why previous positive action activities have not been successful in effecting a significant change and reviewing our processes to understand barriers to attraction and progression. Therefore, it is intended that a full review of our recruitment process will be carried out with all stakeholders to refresh and develop more flexible and inclusive approaches to recruitment. To support this, targeted attraction strategy will also be developed to highlight SFRS as an employer to a wider demographic.

We have rolled out masterclasses to support applicants applying for promotion processes. We also piloted masterclasses specifically for women, with positive feedback being received and improvements will be incorporated into future sessions. These are being rolled out for our supervisory level promotion processes and will be programmed to run regularly throughout the year. We will look to develop similar sessions for other underrepresented groups.

A joint Emergency Service engagement event was hosted by SFRS for care experienced individuals as part of the Corporate Parenting group.

We are holding a Women in the Fire Service event over 2 days in September.

A review of our attraction strategy has commenced with work on our promotional materials, further work will look at how to attract candidates from our underrepresented groups.

Our engagement with local community groups also allows us to discuss other matters that are important to them, and this will be increasingly important as we progress the Strategic Service Review Programme. This allows targeted prevention and protection interventions based on local community profiles and includes established Scottish Black, Asian and Minority Ethnic communities as well as responding to the very specific needs of Scotland's newest communities such as new migrants, refugees, and asylum seekers.

The ethnicity of our workforce can be found below. We are, however, aware that many employees choose not to share this information with us so these figures may under-represent what is already an under-represented group.

A 2023/24 and 2022/23 comparison can be seen in the tables below:

Ethnicity of Workforce as at 31 March 2024		
Ethnicity	**Headcount**	**Percentage of Total**
White	4,031	53.63%
BAME	53	0.71%
Prefer not to say	22	0.29%
Not recorded	3,410	45.37%
Total	**7,516**	**100%**

Ethnicity of Workforce as at 31 March 2023		
Ethnicity	**Headcount**	**Percentage of Total**
White	4,266	55.99%
BAME	63	0.83%
Prefer not to say	22	0.29%
Not recorded	3,268	42.89%
Total	**7,619**	**100%**

Supporting Inclusion

The Women's Experience Liaison Forum is a joint management and trade union group which meets monthly to discuss live issues affecting women in the workplace. The group progresses improvements to workplace practices which disproportionately impact upon women, for example simplifying the process to access narrow fitting footwear.

The Service continues to promote the options for colleagues to organise informal employee networks around equality characteristics and currently the Service has networks on the topics of neurodiversity, women, race, carers, disability, and LGBT+.

In 2023 SFRS was able to promote itself as a Silver Awarded employer under Stonewall's Workplace Equality Index. Colleagues continued to participate in local Pride events throughout the summer and early planning was put in place for 2024 activities.

A working group to improve the employee experience and management support as it relates to neurodiversity was established. The group draws colleagues from across the People Directorate, Training, Safety and Assurance Directorate and has most recently obtained Service Delivery Area representation. Currently the group is exploring the issue of reasonable adjustments in the recruitment and selection process and trainee firefighter programme.

Each of our employment policies and practices is assessed through our Equality and Human Rights Impact Assessment process to identify and respond to the diverse needs based on the protected characteristics defined in the Equality Act 2010. In addition to these characteristics, we consider the impact of our decisions on care experienced young people, those with caring responsibilities and those who experience social and economic disadvantage.

Career Management

We are committed to supporting Career Management for all colleagues across the Service, investing in and providing resources from entry, to support and enable them to accomplish their career aspirations and goals in line with Service priorities. By fostering this approach and growing our own from entry, we are equipped to adapt to the changing demands of our dynamic economy and ever-evolving needs of our communities.

We have a successful history of growing our own talent and seeing employees develop from their entry level roles through the career ladder.

Key activities and achievements during 2023/24 included:

- Continuation of the Learning Needs Analysis process and Learning Partner arrangements to enable review and progression of the Services' Learning and Development priorities. Additional scrutiny arrangements have been implemented enabling additional assurance with Learning and Development recommendations, decisions, and outcomes.
- Continued implementation of the SFRS leadership development model with supervisory, middle, and inclusive leadership development programmes. This involves a blended approach to upskilling managers and leaders within the Service. The model includes taught/facilitated and self-directed learning coupled with peer learning opportunities and work-based projects to support the transfer of learning into the workplace. This can be seen in our National Fire Chiefs Council (NFCC) and Franklin Covey Learning programmes.
- A review of SVQ and Modern Apprenticeship programmes and refreshed implementation arrangements
- A review of our onboarding, induction, and internal promotional processes.
- Delivery of interview masterclass sessions for colleagues across staff groups in the Service, including specific sessions for our under-represented groups.
- Insights into psychometric profiling, team dynamics and development activities.
- The well-established relationship with the Collective Learning Partnership and Scottish Union Learning Fund enabled 174 SFRS staff to access 24 courses. These

programmes provide access to lifelong learning opportunities across a broad range of topics including ICT Microsoft applications e.g. Excel levels 1 and 2; Health and wellbeing e.g. first aid for mental health, pre- and post-natal exercise and nutrition, menopause cafes, sleep management sessions; personal development e.g. personal trainer qualifications, cycle maintenance, British sign language.

The Service continues to partner with Career Ready in providing mentors to support the social mobility and empowerment of young people due to embark on their careers to reach their potential. Evaluation has indicated experiences within the SFRS continue to be incredibly positive.

Employee Relations, Engagement and Communication

We are committed to working in partnership with our trade unions. This commitment is demonstrated through our Working Together Framework which was reviewed in 2022/23 and is supported by Recognition Agreements.

We have continued to develop and published our Communications and Engagement Strategy 2023-26 and over the last year have focused our attention on some key projects with staff engagement, consultation, and participation throughout.

Work has included:

- Publication of a fully revised and update Social Media Policy to reflect the changing digital landscape and risks presented to staff and the wider organisation by social media usage.
- To increase communication and engagement, Safety and Assurance Coordinator/Safety and Assurance Liaison Officer awareness training sessions were completed to provide an overview of these officers' responsibilities to enhance communication and engagement.
- Promotion of the draft Strategic Plan consultation to gather feedback from staff, partners, and communities on our plans for the next three years.
- Planning for, and learning from, potential firefighter industrial action which was a significant strand of activity for communications and engagement. The planning included encouraging colleagues to share their plans for industrial action to allow the operational planning team to determine fire cover across the country while reassuring staff, partners, and communities.

Facility Time Reporting from 1 April 2023 to 31 March 2024 (not included in statutory audit)

Trade Unions play an important role in the modern workplace and there are considerable benefits to both employers and employees when organisations and unions work well together. The Scottish Fire and Rescue Service is committed to working in partnership with our recognised trade unions. This commitment is demonstrated through the Working Together Framework and is supported by ongoing Recognition Agreements.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 place a legislative requirement on relevant public-sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The purpose of these regulations is to promote transparency and allow for public scrutiny of facility time.

Table 1 - Relevant union officials

The total number of SFRS employees who were relevant union officials during the relevant period is shown in the following table:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
277	277

**This number includes all those who are recognised as representatives who would be eligible to take time off for trade union duties but have not requested time off during the reporting period.*

Table 2 - Percentage of time spent on facility time

The following table shows the number of SFRS employees who were relevant union officials employed during the year ending 31 March 2024 and the percentage of their working hours recorded as having been spent on union duties:

Percentage of time	Number of employees
0%	162
1-50%	105
51-99%	0
100%	10

Table 3 - Percentage of pay bill spent on facility time

The table below provides the percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the year ended 31 March 2024.

	Figures
Total cost of facility time	£388,925
Total pay bill*	£241,091,071
Percentage of the total pay bill spent on facility time calculated as: (total cost of facility time ÷ total pay bill) x 100	0.16%

**This includes employer costs such as NI and pension contributions where applicable.*

Table 4 - Paid trade union activities

As a percentage of total paid facility time hours, the number of hours spent by employees who were relevant union officials during the relevant period on paid trade union activities is shown in the following table:

12.9% *Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:* *(Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100*

Improving Health, Safety and Wellbeing Arrangements

We care for our staff through progressive health, safety and wellbeing arrangements and strive to be proactive and innovative in how we achieve this.

Each year a SFRS Health and Safety Improvement Plan is developed. This is translated into bespoke improvement plans which address the risk profile of the various parts of our organisation.

To gain insight and feedback from staff on the quality of wellbeing support provided by SFRS, a staff wellbeing survey was undertaken. Full analysis of the response was completed and further shared with staff and managers on the internal intranet, covering various aspects of employee wellness and staff experience of receiving wellbeing support from the Service.

Engagement with stakeholders has been ongoing to develop, implement and embed the new SFRS fitness assessments based on research outcomes, including the development of a draft Fitness Policy and Procedure, and supporting implementation plan.

The introduction of a new Wellbeing Management System, previously in 2022/23, has begun to enable closer management and identification of emerging wellbeing trends across the Service, ensuring effective care and improved reporting capability.

As part of the work of the SFRS Contaminants Group, we supported Professor A. Stec's health monitoring research. The Scottish Government provided funding of £56k to enable firefighters based in Scotland to participate in a UK-wide health screening programme: '*Exposure to Fire Toxicants and Risk of Cancers and other Diseases Amongst Firefighters*'. Approximately 170 SFRS firefighters participated in the research. The results will inform future health surveillance practice.

Significant work also progressed to implement the Service's approach to Asbestos Medicals. The Service will provide legislative asbestos medical screening on a three-yearly basis, in line with the National Fire Chief Council / Health and Safety Executive (HSE) guidance. Implementation is dependent on the award of contract to HSE appointed doctors.

Work continues to develop the provision of mental wellbeing education, training, and resources throughout the employment lifecycle; working collaboratively on the delivery of Lifelines Scotland courses which are being delivered as a 'quad service' approach for emergency and volunteer responders across Scotland. Further partnership work took place to provide a bespoke approach to address the medical, physical, and psychological demands of the International Search and Rescue team, pre and post deployment to reduce the risk of injury.

Ross Haggart
Chief Officer
Scottish Fire and Rescue Service

31 October 2024

INDEPENDENT AUDITOR'S REPORT TO THE SCOTTISH FIRE AND RESCUE SERVICE, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Scottish Fire and Rescue Service for the year ended 31 March 2024 under the Police and Fire Reform (Scotland) Act 2012. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2024 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 3 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a

period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken during the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Police and Fire Reform (Scotland) Act 2012 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Michael Oliphant

Michael Oliphant FCPFA
Audit Director
Audit Scotland
4th floor
102 West Port
Edinburgh
EH3 9DN

31 October 2024

ANNUAL ACCOUNTS

In this section of the report, we set out:

- Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2024
- Statement of Financial Position as at 31 March 2024
- Statement of Cash Flows for the Year Ended 31 March 2024
- Statement of Changes in Taxpayers Equity for Year Ended 31 March 2024
- Notes to the Accounts

Prior period adjustments have been made to year end 31 March 2023 balances in the following statements, refer to Note 1 below for further information on adjustments made.

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2024

	Note	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Expenditure			
Staff costs	4	338,436	411,874
Depreciation and Impairment	23	32,154	42,695
Depreciation on Right of Use Assets	15	609	641
Other Operating Charges	3	58,887	55,949
		430,086	**511,159**
Income			
Income from activities	6	(333)	(121)
Other Income	7	(183,888)	(188,478)
		(184,221)	**(188,599)**
Net Expenditure from Operating Activities		**245,865**	**322,560**
Interest payable	8	1,843	2,064
Interest on lease liability	8	37	40
Net gain on disposal of Property, Plant and Equipment	25	19	(55)
Net interest cost of IAS19 assets and liabilities	13b (Tables 1, 2)	123,334	81,631
		125,233	**83,680**
Net Expenditure after Interest		**371,098**	**406,240**
Taxation	11	0	0
Net Expenditure after Taxation		**371,098**	**406,240**
Other Comprehensive Income and Expenditure (these items will not be reclassified to net expenditure)			
Actuarial loss/(gain) on IAS19 Pension disclosures	13b (Tables 1, 2)	(269,564)	(2,200,982)
Net gain on revaluation of Property, Plant and Equipment	23	(21,109)	(19,371)
Comprehensive Net (Income) / Expenditure before Grant from the Scottish Government		**80,425**	**(1,814,112)**

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	As at 31 March 2024 £000s	As at 31 March 2023 £000s
ASSETS			
Non-current assets			
Property, Plant and Equipment	23	588,232	566,503
Right of Use Assets	15	5,333	5,904
Heritage Assets	23	1,065	1,065
Intangible Assets	23	2	51
Long-term Debtors	19	258	606
Pension Assets	13b (Table 5)	2,174	1,850
Total non-current assets		**597,064**	**575,979**
Current assets			
Inventories	20	1,464	1,430
Trade and other receivables	9	13,646	11,312
Cash and cash equivalents	12	498	538
Total current assets		**15,608**	**13,280**
Total assets		**612,672**	**589,259**
LIABILITIES			
Current liabilities			
Trade and other payables	10	30,404	38,077
Short-term borrowing	22	5,183	3,438
Short-term provisions	16	576	480
Short-term lease liability	15	310	519
Current Tax Payable	11	0	0
Total current liabilities		**36,473**	**42,514**
Total assets less current liabilities		**576,199**	**546,745**
Non-current liabilities			
Long-term borrowing	22	30,877	35,442
Long-term provisions	16	1,153	959
Long-term lease liability	15	3,413	3,684
Deferred Income	30	4,703	5,331
Other long-term liabilities (Pensions)	13b (Table 5)	2,834,393	3,064,593
Other long-term liabilities (Injury Benefits)	13b (Table 5)	51,462	57,762
Total non-current liabilities		**2,926,001**	**3,167,771**
Total assets less liabilities		**(2,349,802)**	**(2,621,026)**
Taxpayers equity			
General Reserve		340,873	327,452
Revaluation Reserve		193,006	172,027
Pensions Reserve	13b (Table 5)	(2,883,681)	(3,120,505)
Total Taxpayers Equity		**(2,349,802)**	**(2,621,026)**

Ross Haggart
Chief Officer and Accountable Officer
31 October 2024

The Accountable Officer authorised these Annual Accounts for issue on 31 October 2024.

The notes on pages 91 to 142 form part of these Accounts

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net expenditure from operating activities		(245,865)	(322,560)
Adjustments for non-cash transactions			
IAS19 Pensions	4, 13b (Table 1)	(90,594)	(12,573)
Depreciation and Impairments	23	32,154	42,695
Depreciation – Right of Use Assets	15	609	641
Corporation Tax	11	0	0
Movements in working capital			
(Increase) / Decrease in trade and other receivables	9	(2,334)	(954)
(Increase) / Decrease in inventories	20	(34)	93
Decrease in long term debtors	19	348	286
(Decrease) / Increase in trade and other payables	10	(7,673)	(65)
(Decrease) / Increase in provisions	16	290	(714)
(Decrease) / Increase in deferred income	30	(628)	1,196
Net cash outflow used in operating activities		**(313,727)**	**(291,955)**
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property, plant, equipment and intangible assets	23	(32,923)	(36,600)
Proceeds of disposals of property, plant and equipment	25	179	451
Net cash outflow used in investing activities		**(32,744)**	**(36,149)**
CASH FLOWS USED IN FINANCING ACTIVITIES			
Grant in Aid from the Scottish Government	18	351,650	335,966
Repayment of borrowing	22	(2,820)	(5,155)
Payment of lease liabilities	15	(519)	(613)
Bank interest paid	8	(1,843)	(2,064)
Interest on lease liability	8	(37)	(40)
Net cash inflow used in financing activities		**346,431**	**328,094**
Net (Decrease) / Increase in cash and cash equivalents		**(40)**	**(9)**
Cash and cash equivalents at beginning of the period	12	538	547
Cash and cash equivalents at end of the period	12	498	538
(Decrease) / Increase in cash for the year		**(40)**	**(9)**

STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR YEAR ENDED 31 MARCH 2024

	Note	General Fund	Revaluation Reserve	Pensions Reserve	Total
		£000s	£000s	£000s	£000s
Balance at 1 April 2023		**327,452**	**172,027**	**(3,120,505)**	**(2,621,026)**
Net Expenditure after taxation		(371,098)	0	0	(371,098)
IAS19 Pensions Remeasurement Gains	13b (Table 1)	0	0	269,564	269,564
Revaluations debited to the Revaluation Reserve	23	0	21,109	0	21,109
Total Comprehensive Net Income / (Expenditure)		**(371,098)**	**21,109**	**269,564**	**(80,425)**
Transfer of pensions transactions to the Pensions Reserve	13b (Table 1)	32,740	0	(32,740)	0
Grant in Aid from the Scottish Government	18	351,650	0	0	351,650
Other Reserve Movement	29	130	(130)	0	0
Balance at 31 March 2024		**340,874**	**193,006**	**(2,883,681)**	**(2,349,801)**

(Restated)	Note	General Fund	Revaluation Reserve	Pensions Reserve	Total
		£000s	£000s	£000s	£000s
Balance at 1 April 2022		**326,677**	**152,912**	**(5,252,429)**	**(4,772,840)**
Cumulative Effect of Initial Application of IFRS 16 Leases	15	1,735	0	0	1,735
Adjusted Balance at 1 April 2022		**328,412**	**152,912**	**(5,252,429)**	**(4,771,105)**
Net Expenditure after taxation		(406,240)	0	0	(406,240)
IAS19 Pensions Remeasurement Gains	13b (Table 1)	0	0	2,200,982	2,200,982
Revaluations debited to the Revaluation Reserve	23	0	19,371	0	19,371
Total Comprehensive Net Income / (Expenditure)		**(406,240)**	**19,371**	**2,200,982**	**1,814,113**
Transfer of pensions transactions to the Pensions Reserve	13b (Table 1)	69,058	0	(69,058)	0
Grant in Aid from the Scottish Government	18	335,966	0	0	335,966
Other Reserve Movement	29	256	(256)	0	0
Balance at 31 March 2023		**327,452**	**172,027**	**(3,120,505)**	**(2,621,026)**

1. Accounting Policies

These Annual Accounts have been prepared in accordance with the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public-sector context. The SFRS has selected the most appropriate accounting policy or estimation technique, as permitted by the FReM, to ensure the statements present a true and fair view.

The particular policies adopted by the SFRS in preparing these Annual Accounts are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

The Accounts have been prepared with reference to the following objectives:

- to provide information about the financial position, performance and cash flows in a way that meets the "common need of most users", and
- to show the results of the stewardship and accountability of Board members and management for the resources entrusted to them.

The following underlying assumptions have been adhered to:

- **Accruals** – with the exception of cash flow information, the statements have been prepared using the accrual basis of accounting, where the non-cash effects of transactions are included in the Annual Accounts in the year in which they occur, not the year in which cash is paid or received, and
- **Going concern** – the Accounts have been prepared on the basis that the SFRS will continue to function for the foreseeable future.
- **Currency** – the Accounts have been prepared in pounds sterling.

Application of new and revised Accounting Standards

a. Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

b. Standards, amendments and interpretations issued but not adopted this year

At the date of authorisation of these Annual Accounts, the Board has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- **Amendments to IAS 1**: Classification of Liabilities as Current or Non-Current.
- **Amendments to IAS 1**: Non-current Liabilities with Covenants
- **Amendments to IAS 12**: International Tax Reform: Pillar Two Model Rules
- **Amendments to IAS7 and IFRS7:** Supplier Finance Arrangements

The Board does not expect that the adoption of the Standards listed above will have a material impact on the Annual Accounts in future periods.

c. Standards, amendments and interpretations effective in the current year

In the current year, the Board has not implemented any new standards, amendments or interpretations.

Accounting Convention

These Accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

Accounting Period

The accounting period commenced on 1 April 2023 and ended on 31 March 2024.

Going Concern

The Resource Budget for the financial year ended 31 March 2025 has been approved by the Scottish Government and is considered adequate to allow the SFRS to meet its liabilities in the foreseeable future. In terms of future years, funding will be confirmed as part of the normal budget cycle in December 2024 and January 2025. The Service also featured in the Scottish Government's Resource Spending Review which set indicative budget allocations up to 2025-26.

These Annual Accounts have therefore been produced on a going concern basis. The Scottish Fire and Rescue Service is fulfilling a statutory function and there are no plans to amend the primary legislation setting out those functions. The SFRS is therefore required to continue delivering fire and rescue activity in Scotland and the Scottish Government is in turn committed to providing the SFRS with grant in aid funding for that purpose. For the avoidance of doubt, Scottish Government funding also covers all ongoing employer and officer pension contributions and the pension liability which is not met directly from GiA.

Segmental Reporting

The SFRS is operated as a single service and is reported in this same format. Costs and support service overheads are not allocated to other parts of the organisation, and therefore there are no requirements for segmental reporting, however, a reconciliation between the management accounts position and the accounting statements is included in a Note to the Accounts.

Revenue Recognition

Revenue is recognised net of VAT to the extent that it is probable that the economic benefits will flow to the SFRS and the revenue can be reliably measured.

Grant in Aid and Revenue Grants

The SFRS is funded by the Scottish Government. Grant in Aid is received throughout the year and is intended to meet estimated expenditure for both capital and revenue purposes. It is accounted for as financing on a cash basis, not income, and is therefore credited to the SFRS reserves and not incorporated within the Statement of Comprehensive Net Expenditure (SoCNE). Grant in Aid cannot be drawn down in advance of need.

Grant in Aid, whether for revenue or capital purposes, is to be treated as a contribution from controlling parties giving rise to a financial interest in the residual interest of the reporting entity and is to be credited to general reserves and not to income or deferred income.

Where grants are subject to conditions such that non-compliance would result in the grant being repaid, the potential liability to repay, and the conditions to be met, should be disclosed in a Note to the Accounts.

The profit or loss on disposal of an asset financed by grant or Grant in Aid is taken to the Statement of Comprehensive Net Expenditure.

Capital Grants

Capital grants are accounted for in accordance with IAS20 *Accounting for Government Grants and Disclosure of Government Assistance* and recognised in the SoCNE once conditions are met. Grant is treated as a *capital grant received in advance* where carry forward is permitted and any conditions have not been met.

Provision of Services

Revenue from the provision of services is recognised when the SFRS can measure reliably the percentage completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the SFRS.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the terms of the lease.

Expenditure Recognition

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the SoFP.

Expenses in relation to services received (including those rendered by the SFRS employees) are recorded as expenditure when the services are received, rather than when payments are made.

Interest payable on borrowings is accounted for on the cash flows that have been fixed or determined by the contract, or based on an annuity basis where borrowings have been provided by a local authority.

Where revenue and expenditure have been recognised but cash has not been received or paid, a receivable or payable for the relevant amount is recorded in the SoFP. Where there is evidence that debts are unlikely to be settled, the balance of receivables is written down and a charge made to revenue for the income that might not be collected.

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the SFRS. An accrual is made in the SoCNE for the year for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year end and which employees can carry forward to the next financial year. The accrual is made at the remuneration rates applicable in the following financial year.

Post-Employment Benefits

As at 31 March 2024, the SFRS participates in two pension schemes: The Local Government Pension Scheme (Scotland) for support staff and the Fire 2015 Scheme for Wholetime/Retained uniformed personnel. For the year ended 31 March 2024, the administration of the Firefighters' Scheme was undertaken by the Scottish Public Pensions Agency (SPPA) and the administration of LGPS remained with local authorities.

- Local Government Pension Scheme (Scotland)
  The LGPS provides members with defined benefits related to pay and service. It is supported by contributions from both employer and employee. There are 8 schemes covering staff in Scotland, detailed in Note 13. The LGPS is a Career Average Revalued Earnings (CARE) Scheme whereby pension benefits are based on earnings received within each year worked, which are index-linked and totalled on retirement to provide an annual pension.
- Fire 2015 Scheme
  The Fire 2015 Scheme was introduced on 1 April 2015 and is a CARE scheme rather than a final salary pension scheme. It is an unfunded defined benefit scheme where payments are made on a "pay as you go" basis. All new employees entering the Service will join this Scheme automatically. The normal pension age for firefighters is 60.

Prior to 1 April 2022, there were 3 Schemes for Firefighters: the Firefighters' Pension Scheme 1992, New Firefighters' Pension Scheme 2006, as well as the 2015 Scheme. Firefighters who were previously in the 1992 or 2006 Schemes joined the 2015 Scheme automatically on 1 April 2015 where no protection was in place. A further group transferred to this scheme during 2021/22 when their protection ended and as from 1 April 2022, all Firefighters who were members of a pension scheme transferred to the Fire 2015 Scheme.

Contributions to the schemes are calculated to spread the cost of pensions over employees' working lives, in line with IAS19 *Employee Benefits*. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method and, in the intervening years, by rolling forward the scheme assets and liabilities in a desk top review.

Variations from regular cost are spread over the expected average remaining working lives of scheme members, taking into account future withdrawals. The expected cost of providing staff pensions to contributing employees is recognised in the SoCNE in accordance with IAS19, recognising retirement benefits as they are earned not when they are due to be paid.

Pension Scheme Assets

The Fire 2015 Scheme, being unfunded, has no assets built up to meet pension liabilities. The attributable assets of the various Local Government Pension Schemes (LGPS) have been measured at fair value and are identified in a Note to the Accounts.

Pension Scheme Liabilities

The attributable liabilities of each scheme are measured on an actuarial basis using the projected unit method, i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc.

The change in the Net Pension Liability shown in the SoFP consists of the following:

- **Current Service Cost** - This refers to the increase in liabilities as a result of years of service earned this year and is allocated to the cost of services in the SoCNE.

- **Expected Net Return on Assets** - The expected annual investment return on assets for the LGPS is based on long-term expectations as at 31 March 2024. This is shown net of the interest cost of each scheme, based on the discount rate and the present value of the scheme liabilities as at 31 March 2024.
- **Past Service Costs** - This refers to the increase in liabilities arising from current year decisions whose effect relates to years of service earned in previous years. This is debited to the surplus/deficit in the SoCNE.
- **Gains/Losses on Settlements and Curtailments** -The result of actions to relieve the SFRS of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the SoCNE.
- **Actuarial Gains and Losses** - Changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve.
- **Contributions Paid to the LGPS Pension Funds** - Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.
- **Discretionary Benefits** - The SFRS has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as those applied to the relevant pension schemes.

Injury Awards

The SFRS has powers to make awards of injury benefits in the event of firefighters leaving through injury. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as those applied to the relevant compensation schemes.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Asset Recognition

All expenditure on the acquisition, creation or enhancement of property, plant and equipment (including Firefighter personal protective equipment) has been capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the SFRS and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Asset Measurement

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Land and Buildings are included at Depreciated Replacement Cost (DRC) where there is no market-based evidence of fair value because of the specialist nature of the assets. In all other cases, Existing Use Value (EUV) has been used. As a minimum, five yearly valuations of Land, Buildings and Dwellings are carried out as part of a rolling programme, on the basis of current market value for land and depreciated replacement cost for buildings. In addition, impairment reviews are carried out on major assets and assets on which there has been significant expenditure, to determine if there has been any change in value in the years between valuations.

Assets included in the SoFP at fair value are revalued regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but every five years as a minimum. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

At 31 March 2024, all land, buildings and dwellings assets due for valuation under the five-year rolling programme (59% of portfolio), were re-valued by the SFRS's in-house Estates and Valuations Surveyor, Russell Munn (BSC MRICS). Consideration will be given to the potential for material changes in value for properties not included in the rolling programme.

Where decreases in value are identified, the revaluation loss is accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line in the SoCNE.

Donated Assets

Assets classified as donated are measured at fair value on receipt. The funding element is recognised as income and taken to the SoCNE. Any subsequent revaluations are taken to the Revaluation Reserve.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

- where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant line in the SoCNE.
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant line in the SoCNE, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to Other Operating Charges in the SoCNE. Gains in fair value are recognised only up to the amount of any previously recognised losses. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the SoFP (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Net Gain/Loss on Disposal of Property, Plant and Equipment line in the SoCNE. Receipts from disposals (if any) are credited to the same line in the SoCNE (i.e., netted off against the carrying value of the asset at the time of disposal).

Assets Held for Sale

An asset is classified as held for sale when it meets all of the following criteria:

- It is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.
- A plan agreed by management is in place and steps are actively being taken to conclude a sale, and
- It is actively being marketed with an expectation of a sale within the next 12 months.

Assets meeting these criteria are revalued and measured at the lower of their carrying amount immediately prior to reclassification and fair value less costs to sell. There is no depreciation on Assets Held for Sale.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts on a straight-line basis over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land, Heritage Assets, surplus assets and assets held for sale) and assets that are not yet available for use (i.e., assets under construction).

Useful economic lives as estimated by experts are shown in the following table:

Category	Useful economic life
Buildings	10-64 years
Cars & Vans	5 years
Fire Appliances (including specialist appliances)	10-15 years
Equipment	3-20 years

Assets under construction are recognised at cost and are depreciated in the year they are transferred to operational assets.

Componentisation

In accordance with IAS16 *Property, Plant and Equipment,* a componentisation policy for material assets has been adopted with effect from 1 April 2013. The SFRS will componentise material assets with a carrying value over £0.5 million, unless, in the expert opinion of our professional valuer, it does not lend itself to componentisation by its complex nature. This will be carried out where material assets are acquired, revalued or enhanced. The SFRS policy noted above has been applied to all relevant assets brought on from legacy services and will continue to be applied as they are revalued through the five-year rolling programme of valuations.

Intangible Assets

Intangible assets have no physical substance but are identifiable and controlled by the SFRS. It can be established that there is an economic benefit or service potential associated with the item which will flow to the SFRS. This expenditure is mainly in relation to software licenses. Expenditure on the acquisition, creation or enhancement of intangible assets is capitalised on an accruals basis when it will bring benefits of longer than one year. Intangible assets are initially measured at cost and included in the SoFP at net historical cost. Intangible assets are depreciated on a straight-line basis over the life of the asset (3 years).

Inventories

Inventories are included in the SoFP on an average cost basis.

Leases

The SFRS determines whether to lease or purchase based on value for money considerations, such as whether the underlying asset is required for its entire life or for a more limited period. IFRS 16 *Leases* introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases, unless the underlying value is low or the lease term is less than 12 months.

Scope and Exclusions – SFRS as Lessee

In accordance with IFRS 16 Leases, contracts or parts of contracts that convey the right to control the use of an asset for a period of time are accounted for as leases.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, incorporating both the right to obtain substantially all the economic benefits from the asset and to direct its use. In such cases, the relevant part of the contract is treated as a lease.

When making the above assessments, the SFRS excludes low value items, where the underlying value of the asset would be less than £4,000 when new, provided those items are not highly dependent on or integrated with other items. Contracts where the term is less than 12 months are also excluded.

Initial Recognition – SFRS as Lessee

At the commencement of a lease, the SFRS recognises a right-of -use asset and a lease liability.

The lease liability is measured at the value of the remaining lease payments, discounted either by the interest rate implicit in the lease or, where this is not readily determined, the SFRS incremental rate of borrowing, as advised annually by HMT in the annual PES paper. This rate is 4.72% for the current year (0.95% for leases recognised at 1 April 2022). Where the lease includes extension or termination options, the lease payments will be for the non-cancellable period together with any extension options the SFRS is reasonably certain to exercise and any termination options the SFRS is reasonably certain not to exercise.

The measurement of lease payments excludes any VAT payable and irrecoverable VAT is expensed at the point it falls due in line with IFRIC 21 Levies. The right of use asset is measured at the value of the lease liability adjusted for: any lease payments made before the commencement date, any lease incentives received, any incremental costs of obtaining the lease and any costs of removing the asset and restoring the site at the end of the lease.

Enhancements to leased assets such as alterations to a leased building are not classified within right of use assets but remain classified as property, plant and equipment in accordance with the FReM.

Subsequent Measurement - SFRS as Lessee

After initial recognition, the right of use asset will be measured using the fair value model. The SFRS considers that the cost model (measurement by reference to the lease liability) is a reasonable proxy for fair value in the case of non-property leases and for property leases of less than 5 years or with regular rent reviews. In the case of property leases exceeding 5 years, periodical assessments are done to measure the fair value of the right of use assets.

The value of the asset will be adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

The lease liability will be adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option. Modifications are changes to the lases contract.

Reassessments and modifications are accounted for by discounting the revised cash flows: using a revised discount rate where the SFRS becomes or ceases to be reasonably certain to exercise or not exercise an extension or termination option, or the lease is modified to amend the non-cancellable period, change the term of the lease, change the consideration or the scope. Or at the existing discount rate where there is a movement in an index rate that will alter the cash flows, or the amount payable under a residual value guarantee changes.

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right of use asset over the life of the lease, together with any impairment of the right of use asset and any change in variable lease payments not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under 12 months, are also expensed.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Board a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Contingent Assets and Liabilities

A contingent asset or liability arises where an event has taken place that gives the SFRS a possible right or obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the SFRS. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the SoFP but disclosed in a Note to the Accounts.

Reserves

The General Reserve represents the excess of expenditure over income on Grant in Aid funded operations, or other grant income streams, e.g., transitional funding.

The Revaluation Reserve represents the increase in value of land and buildings over their historical costs.

The Pensions Reserve represents timing differences arising from the accounting and funding arrangements required by IAS19 for post-employment benefits.

Taxation

Value Added Tax (VAT) is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

Corporation Tax is payable on profit generated from business activities (including the disposal of assets no longer required) undertaken by the SFRS. Income from GiA is not subject to Corporation Tax.

Financial Instruments

Financial Assets

Financial assets held by the SFRS consist of Trade and Other Receivables and Cash and Cash Equivalents. Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

As the Cash requirements of the SFRS are met through Grant in Aid provided by the Safer Communities Directorate, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Cash balances are held with the Government Banking Service (GBS). Transactional services are provided by NatWest, with corporate banking arrangements held with The Royal Bank of Scotland. Therefore, the SFRS is not exposed to significant credit, liquidity or market risk in respect of financial assets. There is no difference between book value and fair value for cash and cash equivalents shown in the SoFP.

Financial Liabilities

Financial liabilities within the SFRS consist of Trade and Other Payables, Borrowings and Lease Liabilities. Trade payables are held at fair value and are typically non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They arise when the SFRS receives goods or services with no intention of trading the liability.

There are two types of Borrowings held by the SFRS:

i) Public Works Loan Board (PWLB) loans were taken out by legacy services that carried out the Treasury Management function (i.e., borrowings and investments) in their own right. These are recognised in the SoFP at the point when the SFRS becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost, i.e., including accrued interest.
   For borrowings held by the SFRS therefore, the amount presented in the SoFP is the outstanding principal repayable including accrued interest, and annual charges to the SoCNE for interest payable is the amount payable in the year on an accruals basis.
ii) The second type of financial liability arises where the Treasury Management function for legacy Fire Services was carried out by the lead authority. Schedules have been provided by the lead authorities showing total outstanding debt, amounts of principal repayable each year, and indicative amounts of related interest payable each year. The interest is calculated by each former lead authority using a pooled interest rate which is applied to all loans in their portfolio.
   In these cases, financial liabilities are shown in the SoFP at the values provided by the former lead authorities. Annual charges to the SoCNE for interest payable are based on the carrying amount of the liability multiplied by the effective rate of interest for the instrument, as calculated by each former lead authority.

Further information on the Accounting Policy for Lease Liabilities is contained in the "*Application of new and revised Accounting Standards*" section.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

Review of Accounting Policies and Estimation Techniques

These Annual Accounts have been prepared under IFRS incorporating any departures required by the FReM, and all accounting policies have been reviewed to ensure their continued relevance. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates and underlying assumptions are continuously reviewed.

The main areas of estimation relate to the following:

- The valuation of land and buildings, where the services of professionally qualified surveyors are used to ensure that best practice and consistency of approach is applied, and
- The valuation of Pension Scheme assets and liabilities, where professionally qualified actuaries are employed to provide the information required under IAS19 *Employee Benefits*.

Prior Period Adjustments and changes in Accounting Policies and Estimation Techniques

Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting policy are only made when required by proper accounting practice or to provide more reliable or relevant information on the council's financial position. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied. Changes in accounting estimation techniques are applied in the current and future years and do not give rise to a prior period adjustment. Material errors related to prior period balances may be identified during the course of a current year accounts preparation and are corrected to ensure comparability of balances in prior and current year for readers of the accounts.

The prior period adjustments below reflect corrections to material balances identified through the 2023/24 Accounts process, where the required corrections were material to the point that corrections were also required to the prior period comparatives. The following prior period adjustments have been made specifically in relation to errors identified in relation to IFRS 16 leases implemented in 2022/23. A full review was carried out during the 2023/24 process resulting in errors in the treatment of certain assets. The following table is an extract and only shows those lines affected by these adjustments and subsequent sub-totals and totals.

Effect on Statement of Comprehensive Net Expenditure 2022/23

	2022/23 Original Net Expenditure £000	Adjustment £000	2022/23 Restated Net Expenditure £000
Expenditure			
Depreciation and Impairments	42,830	506	43,336
Other Operating Charges	56,246	(297)	55,949
Net Expenditure from Operating Activities	**322,351**	**209**	**322,560**
Interest on lease liability	15	25	40
Net Expenditure after Interest	**406,006**	**234**	**406,240**
Net Expenditure after Taxation	**406,006**	**234**	**406,240**
Impairments and revaluations charged to Revaluation Reserve	(22,210)	2,839	(19,371)
Comprehensive Net Expenditure before Grant from Justice Department	**(1,817,185)**	**3,073**	**(1,814,112)**

Effect on Statement of Financial Position 2022/23

	2022/23 Original Balance £000	Adjustment £000	2022/23 Restated Balance £000
Property, plant and equipment	569,592	(3,089)	566,503
Right Of use (ROU) Assets	4,405	1,499	5,904
Total Non-Current Assets	**577,569**	**(1,590)**	**575,979**
Trade and Other Receivables	11,134	178	11,312
Total Current Assets	**13,102**	**178**	**13,280**
Total Assets	**590,671**	**(1,413)**	**589,259**
Trade and Other Payables	(37,906)	(171)	(38,077)
Short term lease liability	(348)	(171)	(519)
Total Current Liabilities	**(42,172)**	**(342)**	**(42,514)**
Total Assets less Current Liabilities	**548,499**	**(1,754)**	**546,745**
Long term lease liability	(4,537)	853	(3,684)
Total Non-Current Liabilities	**(3,168,624)**	**853**	**(3,167,771)**
Assets less Liabilities	**(2,620,125)**	**(901)**	**(2,621,026)**
General Reserve	325,514	1,938	327,452
Revaluation Reserve	174,866	(2,839)	172,027
Total Taxpayers' Equity	**(2,620,125)**	**(901)**	**(2,621,026)**

Effect on Cash Flow Statement 2022/23

	2022/23 Original Balance £000	Adjustment £000	2022/23 Restated Balance £000
Net (deficit) / surplus from operating activities	(322,351)	(209)	(322,560)
Depreciation and Impairments	42,444	251	42,695
Depreciation – ROU Assets	386	255	641
(Increase) / Decrease in trade and other receivables	(776)	(178)	(954)
Increase / (Decrease) in trade and other payables	(236)	171	(65)
Net Cash (outflow) / inflow from operating activities	**(292,245)**	**290**	**(291,955)**
Payment of lease liability	(349)	(264)	(613)
Interest on ROU Assets	(15)	(25)	(40)
Net Cash (outflow) / inflow from financing activities	**328,383**	**(289)**	**328,094**

Effect on Statement of Changes in Taxpayers Equity 2022/23

	2022/23 Original Balance £000	Adjustment £000	2022/23 Restated Balance £000
General Fund			
Cumulative effect of Initial application of IFRS 16 leases	(437)	2,172	1,735
Adjusted Balance at 1 April 2022	**326,240**	**2,172**	**328,412**
Net Expenditure after taxation	(406,006)	(234)	(406,240)
Total Comprehensive Net Income / (Expenditure)	**(406,006)**	**(234)**	**(406,240)**
Balance at 31 March 2023	**325,514**	**1,932**	**327,452**
Revaluation Reserve			
Revaluations debited to the Revaluation Reserve	22,210	(2,839)	19,371
Total Comprehensive Net Income / (Expenditure)	**22,210**	**(2,839)**	**19,371**
Balance at 31 March 2023	**174,866**	**(2,839)**	**172,027**

Events after the Reporting Period

Events after the reporting period end represent those events which occur between the end of the reporting period and the date when the Annual Report and Accounts are authorised for issue by the Board.

Material events for which conditions exist at 31 March are reflected on an accruals basis within the financial year. The Note to the Accounts contain details of material events where their conditions did not exist as at 31 March.

There are no significant events affecting the SFRS which have occurred since the end of the financial year. Future developments have been included in the Performance Report.

2. *Assumptions made about the future and other major sources of estimation uncertainty*

The Statement of Accounts contains estimated figures that are based on assumptions made by the SFRS about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

No significant judgements have been made in applying the Accounting Policies.

The SFRS SoFP contains the following items for which there is a significant risk of material adjustment in the forthcoming year:

Item	Uncertainties	Effect if actual result differs from assumptions
Property, Plant and Equipment - Depreciation	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it difficult for the Board to spend adequate funds on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation materially increases and the carrying amount of the assets falls. If asset values were impacted by a reduction of 1%, then the carrying value would be reduced by approximately £6 million (assuming all operational categories are affected).

Property, Plant and Equipment - Valuation	The assets subject to revaluation are noted in the Accounting Policies under "*Asset Measurement"* and includes the land and buildings portfolio. Valuations were carried out by in-house registered valuer Russell M Munn BSc MRICS to comply with the requirements of the RICS "Red Book", IFRS and the FReM. 59% of the land and buildings portfolio was revalued in the year 1 April 2023 to 31 March 2024.	A reduction in the valuations would result in reductions to the Revaluation Reserve and potentially a loss recorded in the Statement of Comprehensive Net Expenditure. The current balance of the Revaluation Reserve will fund a reduction in land and buildings of £195.803 million before this would result in any charge to the Statement of Comprehensive Net Expenditure.
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. Consulting actuaries are engaged to provide the Board with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £44.898 million. An increase of 0.1% in the salary rate and the pension rate would increase the liability by £6.250 million and £41.599 million respectively.

The valuer's report has been used to inform the measurement of the dwellings, land, buildings and infrastructure portfolio in the Annual Accounts. *The value of land and buildings as at 31 March 2024 is £487.305 million. Please refer to Note 24 Non-Current Assets for further details.*

3. Other Operating Charges

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 (Restated) £000s
Property Costs	30,786	27,038
Supplies and Services	20,842	21,291
Transport Costs	7,094	7,465
External Auditor (fee for audit of Annual Accounts)	150	141
Transport Costs - Members	15	14
Total	**58,887**	**55,949**

4. Staff Numbers and Related Costs

Details of staff numbers and costs are shown below as well as in Note 4 to the financial statements. The average number of persons employed in the year ended 31 March 2024 was 7,516 (7,619 in 2022/23). There were 6,672 pensioners in the Firefighter Pension Schemes at 31 March 2024 (6,558 at 31 March 2023).

Related costs are shown in the following table:

	Year ended 31 March 2024			Year ended 31 March 2023		
	Permanent £000s	Others £000s	Total £000s	Permanent £000s	Others £000s	Total £000s
Wages and Salaries	211,186	0	211,186	202,114	0	202,114
Employer Pension Contribution Costs	49,554	0	49,554	46,756	0	46,756

Social Security Costs	21,021	0	21,021	20,705	0	20,705
Sub-total	**281,761**	**0**	**281,761**	**269,575**	**0**	**269,575**
IAS19 pension costs charged to net expenditure	(90,594)	0	**(90,594)**	(12,573)	0	**(12,573)**
Other staff related costs	8,726	406	**9,133**	7,916	974	**8,890**
Staff Costs	**199,893**	**406**	**200,300**	**264,918**	**974**	**265,892**
Firefighter Pension	137,563	0	**137,563**	145,449	0	**145,449**
Unfunded LGPS Benefits	573	0	**573**	533	0	**533**
Total net costs	**338,029**	**406**	**338,436**	**410,900**	**974**	**411,874**

Employer Pension Contributions relate to current employees. *Firefighter Pensions* represents lump sums and monthly pension payments made to retired members of the uniformed pension schemes. *Other unfunded LGPS benefits* relate to unfunded pension benefits paid to pensioners.

Note that the total of £0.406 million shown under “Others” for the year ended 31 March 2023, (£0.974 million for the year ended 31 March 2023) represents the costs of staff employed on temporary contracts through employment agencies.

5. Reconciliation of Net Resource Expenditure

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Staff costs	248,005	237,714
Other Operating Charges	59,593	58,067
Loss on sale of assets	19	0
Total Expenditure	**307,617**	**295,781**
Income	(2,310)	(1,408)
(Gain) on sale of assets	0	(55)
Net Expenditure for the year	**305,307**	**294,318**
Reconciliation to Annual Accounts:		
Less:		
Impairments and Revaluations charged to the Revaluation Reserve	(21,109)	(19,371)
Remeasurement loss on Pension Schemes	(269,564)	(2,200,982)
Movement in Provisions	(2)	(474)
Add:		
Pensions Interest adjustment	32,740	69,058
Depreciation and Impairment	32,763	43,336
Net Pensions Account	290	3
Corporation Tax	0	0
Statement of Comprehensive Net Expenditure	**80,425**	**(1,814,112)**

6. Income from Activities

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Fees and Charges	(325)	(117)
Training Course Income	(8)	(4)
Total	**(333)**	**(121)**

There has been an increase in income from activities in 2023/24, due to the sale of equipment and charging for fire cover at a national sporting event.

7. Other Income

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Pensions	(180,941)	(186,047)
Seconded Officers	(660)	(704)
External Funding Grants	(1,522)	(1,086)
Other Property Income	(765)	(641)
Total	**(183,888)**	**(188,478)**

8. Interest Payable

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Interest Payable on Outstanding Debt	1,843	2,064
Interest on lease liability	37	40
Total	**1,880**	**2,104**

9. Trade and Other Receivables

Analysis by Type

Amounts falling due within one year	As at 31 March 2024 £000s	As at 31 March 2023 (Restated) £000s
Trade Receivables	306	466
Other Receivables	6,325	7,179
Prepayments	4,859	2,114
Accrued Income	2,156	1,553
Total	**13,646**	**11,312**

This reflects an increase of £2.334 million during 2023/24 (compared to an increase of £0.856 million in the previous year).

Trade and Other Receivables includes an estimate of £0.011 million (£0.011 million in 2022/23) for credit losses arising during 2023/24. There are no contracted receivables.

Analysis by Organisation

Amounts falling due within one year	As at 31 March 2024 £000s	As at 31 March 2023 (Restated) £000s
Central Government Bodies	7,156	7,075
Other Local Authorities	82	184
Public Corporations	0	7
Other Entities and Individuals	6,408	4,046
Total	**13,646**	**11,312**

Included within the figure of £7.156 million for Central Government Bodies as at 31 March 2024 was an amount receivable relating to Firefighters' Pensions of £0.778 million (£nil in 2022/23). Further analysis is shown in Note 29.

10. Trade and Other Payables

Analysis by Type

Amounts falling due within one year	As at 31 March 2024 £000s	As at 31 March 2023 (Restated) £000s
Accruals	18,590	22,126
Trade and Other Payables	6,655	7,783
Other Taxation and Social Security	5,159	8,168
Total	**30,404**	**38,077**

Analysis by Organisation

Amounts falling due within one year	As at 31 March 2024 £000s	As at 31 March 2023 (Restated) £000s
Bodies External to Government	18,590	19,505
Central Government Bodies	7,392	14,890
Accumulated Absences	4,196	3,240
Local Authorities	96	102
Public Corporations	130	340
Total	**30,404**	**38,077**

This reflects a decrease of £7.673 million since 31/3/2023 (compared to a decrease of £0.066 million in the prior year).

Included within the figure of £14.890 million for Central Government Bodies in 2022/23 was a balance of £4.677 million relating to Firefighters' Pensions. There is no comparable figure within Trade and Other Payables as at 31/03/24. Further analysis is shown in Note 29.

11. Corporation Tax

Corporation Tax is due to be paid by the SFRS on any chargeable gains made from the sale of properties and any other income generated from non-business activities. There were no chargeable gains made during 2023/24 from any activities. The amount payable to HMRC for the year ended 31 March 2024 is therefore nil (nil in 2022/23).

12. Cash and Cash Equivalents

	As at 31 March 2024 £000s	As at 31 March 2023 £000s
Government Banking Service Bank Account	336	427
Commercial Banks and Cash in Hand	162	111
Total	**498**	**538**

13. Pensions

As part of the terms and conditions of employment of its employees, the SFRS offers retirement benefits. Although these benefits will not actually be payable until employees retire, the SFRS has a commitment to disclose the payments to be made in the future.

The SFRS currently participates in the two defined benefits pension schemes and a discretionary injury benefits scheme set out below:

- The Local Government Pension Scheme (LGPS) for support staff is a funded scheme, meaning that the SFRS and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The employer contribution rate in 2023/24 was between 17.0% and 29.3% of the employees' pensionable pay depending on which local authority the pension was held with. The rates for all Funds have reduced in 2024/25 as the Funds have experienced increased funding levels. Employee contribution rates are tiered dependent on salary. This is now a CARE scheme, whereby pension benefits are based on earnings within each year worked, not final salary as previously, which are index-linked and totalled on retirement to provide an annual pension.
- The Fire 2015 Scheme was introduced on 1 April 2015 and is a CARE scheme rather than a final salary pension scheme. Until 31 March 2022, there were two other Pension Schemes containing operational employees: The Firefighters' Pension Scheme 1992 and the New Firefighters' Pension Scheme 2006. These were replaced by the Fire 2015 Scheme to which members of the other schemes transferred between 2015 and 2022, with the transfer date depending on age and service. All new eligible employees entering the Service join the Fire 2015 Scheme automatically. Under the new arrangements the normal pension age for firefighters is 60.
- The SFRS has powers to make awards of injury benefits in the event of firefighters leaving through injury. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same principles as those applied to the relevant pension schemes. There are no assets held to back the liabilities of this scheme, and cash must be generated to meet actual payments as they fall due.

From 1 April 2015, the Scottish Public Pensions Agency (SPPA) became responsible for administering the Firefighters' Schemes. The LGPS Funds are currently administered by the following local authorities: Dumfries and Galloway Council, Dundee City Council, Falkirk Council, Fife Council, Highland Council, Lothian Pensions Fund, North East Scotland

Pension Fund and Strathclyde Pension Fund. The liabilities in respect of pensions are significant, however statutory arrangements are in place to fund the deficits:

- LGPS deficits will be funded through increased contributions over the remaining working lives of employees as assessed by the various Scheme actuaries.
- Firefighters' Pension Schemes will be funded through increased contributions over the remaining working lives of employees as assessed by national pension administrators and specific grant receivable from the Scottish Government to meet any funding shortfall.

With regards the LGPS the Service plan to consolidate its current eight Funds to one single Fund for financial and administrative reasons. During the second half of 2024/25 Strathclyde Pension Fund will become the single LGPS administrator and the assets and liabilities from the other 7 ceding Funds will be transferred to this Fund with the assistance of Hymans Robertson LLP.

(a) Actuarial Methods and Assumptions

Four actuaries (Government Actuary's Department (GAD), Barnett Waddingham LLP, Hymans Robertson LLP and Mercer) were engaged to assess the value of the SFRS's liability as at 31 March 2024, as they were the actuaries for the Pension Funds noted above.

A full valuation of the LGPS was undertaken as at 31 March 2023 for all 8 Schemes. The full actuarial valuation involved projecting future cashflows to be paid and placing a value on them. These cashflows include pensions that may be payable in future to members of all schemes or their dependents. The Statement of Financial Position and the projected charge to the SoCNE for 2023/24 are based on the results of this recent formal valuation.

The Firefighters' Pension Schemes liability as at 31 March 2024 has been calculated by rolling forward the liabilities determined from full actuarial valuation calculations carried out as at 31 March 2020. The main assumptions used in their calculations are shown in the following table:

Assumption	LGPS		Firefighters' Schemes		Injury Benefits	
	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2024	Year ended 31 March 2023
Mortality assumptions:						
Longevity at 60 for current pensioners						
Men	-	-	24.8	24.7	24.8	24.7
Women	-	-	24.8	24.7	24.8	24.7
Longevity at 60 for future pensioners						
Men	-	-	26.6	26.5	26.6	26.5
Women	-	-	26.6	26.5	26.6	26.5
Longevity at 65 for current pensioners						
Men	18.9 - 21.7	19.0-21.0	20.2	20.1	20.2	20.1
Women	21.6 - 23.6	22.2-23.4	20.2	20.1	20.2	20.1
Longevity at 65 for future pensioners						
Men	20.2 - 22.0	20.4-22.4	21.8	21.8	21.8	21.8
Women	23.1 - 25.3	23.9-25.4	21.8	21.8	21.8	21.8
Rate of inflation (RPI)	2.95% - 3.30%	3.20%-3.90%				
Rate of inflation (CPI)	2.70% - 2.95%	2.70%-2.95%	2.55%	2.40%	2.55%	2.40%
Rate of increase in salaries	3.30% - 4.20%	3.45%-4.20%	3.55%	3.65%	3.55%	3.65%
Rate of increase in pensions	2.75% - 2.95%	2.80%-2.95%	2.55%	2.40%	2.55%	2.40%
Rate for discounting scheme liabilities	4.80% - 4.90%	4.75%-4.8%	5.10%	4.15%	5.10%	4.15%

In the year ended 31 March 2024, membership consists of those employees who transferred from legacy Fire and Rescue Services on 1 April 2013 plus new entrants.

With regards the discount rates used in the valuation, the actuaries have applied different discount rates as shown below. High level sensitivity analysis is included in Note 2, with more detail shown below.

- GAD: the discount rate used is the rate published in the HMT Public Expenditure System PES (2023) 10 Revised, dated 4 December 2023 for Annual Accounts prepared under FReM.
- Barnett Waddingham: use sample cashflows for employers at each year and derive the single discount rate which results in the same liability value as that which would be determined using a full yield curve valuation (essentially each year's cashflows has a different discount rate). These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30-year point) for the LGPS. This is consistent with the approach used at the previous accounting date. This actuary measured 8% of the total LGPS pension asset.
- Hymans Robertson: a Corporate Bond yield curve has been constructed using the UBS corporate bond curve (derived by applying the UBS delta curve fitting methodology to the constituents of the iBoxx £ Corporate AA index). The discount rate reflects the 'term' of the benefit obligation which they interpret to be the weighted average duration of the benefit obligation. They calculate the weighted average duration for each employer and categorise each employer's duration. This actuary measured 86% of the total LGPS pension asset.
- Mercer: the discount rate has been determined from a yield curve including all corporate bonds with an AA rating from one of the three main agencies and that meet Mercer's criteria for inclusion. This actuary measured 6% of the total LGPS pension asset.

The RPI increase assumptions for each actuary are also different, as follows:

- Barnett Waddingham: the RPI assumption is set using the Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above.
- The Hymans Robertson rate is typically derived from yields available on fixed interest and index-linked government bonds and should be consistent with the derivation of the discount rate.
- Mercer also uses the yield curve approach, deriving inflation from spot rates of conventional and index-linked gilts applicable to each duration at which liabilities are projected to be paid in the future.

Sensitivity Analysis

The following table shows the impact changes in actuarial assumptions would have on the total defined benefit obligation, including both LGPS and Firefighter Schemes.

	31 March 2024		31 March 2023	
	Change in Employer Liability * (%)	Approximate Monetary Amount £000s	Change in Employer Liability * (%)	Approximate Monetary Amount £000s
0.1% increase in real discount rate	1.4% - 2.0%	44,898	1.4% - 2.0%	47,979
1-year increase in member life expectancy	2.3% - 4.0%	81,720	2.1% - 4.0%	86,871
0.1% increase in salary rate	0.0% - 0.2%	6,250	0.2% - 0.3%	6,849
0.1% increase in pensions increase rate (CPI)	1.3% - 2.0%	41,599	1.2% - 2.0%	44,273

* *percentage depends on Actuary*

Expected Return on Assets

The FPS is unfunded and therefore no assets back the scheme.

For the LGPS, the expected return and the interest cost for accounting years beginning on or after 1 January 2013 has been replaced with a single net interest cost, which effectively sets the expected return equal to the IAS19 discount rate. The assets held by the Pension Funds are valued at fair value, principally market value for investments.

(b) Statement of Net Comprehensive Expenditure

The following transactions have been made in the SoCNE in relation to the LGPS and both Firefighter schemes.

Table 1 Narrative	Year ended 31 March 2024 LGPS	Combined FPS	Injury Benefits	Total	Year ended 31 March 2023 LGPS	Combined FPS	Injury Benefits	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Current service costs	7,456	47,300	900	**55,656**	16,034	120,600	2,400	**139,034**
Past service costs / (gains)	0	0	0	**0**	0	0	0	**0**
Losses / (gains) on curtailments and settlements	0	0	0	**0**	0	0	0	**0**
Admin Expenses	17	0	0	**17**	16	0	0	**16**
Total Service cost	**7,473**	**47,300**	**900**	**55,673**	**16,050**	**120,600**	**2,400**	**139,050**
Employer contribution	(7,767)	(135,800)	(2,700)	**(146,267)**	(7,523)	(141,600)	(2,500)	**(151,623)**
Deducted from/ (Added to) Staff Costs	**(294)**	**(88,500)**	**(1,800)**	**(90,594)**	**8,527**	**(21,000)**	**(100)**	**(12,573)**
Net Interest Cost *	(4,466)	125,400	2,400	**123,334**	731	79,500	1,400	**81,631**
Impact on Net Expenditure after Interest	**(4,760)**	**36,900**	**600**	**32,740**	**9,258**	**58,500**	**1,300**	**69,058**
Remeasurements recognised in Other Comprehensive Income *								
Actuarial losses / (gains)	**4,436**	**(267,100)**	**(6,900)**	**(269,564)**	(34,982)	(2,134,900)	(31,100)	**(2,200,982)**

* *Note: the following table extracts figures from above to allow easier reconciliation to the figures shown for total Net Interest Cost and Actuarial Gains and Losses in the SoCNE and Statement of Changes in Taxpayers' Equity (SoCITE), for LGPS, Combined FPS and Injury Benefits*.

Table 2	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Net Interest Cost		
LGPS	(4,466)	731
Combined FPS	125,400	79,500
Injury Benefits	2,400	1,400
Total Net Interest Cost	**123,334**	**81,631**
Actuarial Losses / (Gains)		
LGPS	4,436	(34,982)
Combined FPS	(267,100)	(2,134,900)
Injury Benefits	(6,900)	(31,100)
Total Actuarial Losses / (Gains)	**(269,564)**	**(2,200,982)**

The table above shows a change in the actuarial position from a gain of £2.201 billion in 2022/23, to a gain of £0.270 billion in 2023/24. The Total Net Interest Cost and Total Actuarial Losses / (Gains) are shown on the Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2024.

Remeasurement recognised in the Other Comprehensive Income

Table 3	Assets	Obligations				
Year end 31 March 2024	LGPS	LGPS	Combined FPS	Injury Benefits	IFRIC 14 Adjustment	Net (Liability)/ Asset
	£000s	£000s	£000s	£000s	£000s	£000s
Change in Financial Assumptions	0	12,583	361,000	0	0	373,583
Change in Demographic Assumptions	0	3,332	2,200	0	0	5,532
Other Experience Changes	(414)	(22,689)	(96,100)	6,900	0	(112,303)
Return on Assets excluding amounts included in net interest	16,776	(123)	0	0	0	16,653
Adjustment for IFRIC 14 Net asset reduction	0	0	0	0	(13,901)	(13,901)
Total remeasurements recognised in Other Comprehensive Income	**16,362**	**(6,897)**	**267,100**	**6,900**	**(13,901)**	**269,564**

Table 4	Assets	Obligations				
Year end 31 March 2023	LGPS	LGPS	Combined FPS	Injury Benefits	IFRIC 14 Adjustment	Net (Liability)/ Asset
	£000s	£000s	£000s	£000s	£000s	£000s
Change in Financial Assumptions	0	158,581	2,226,800	0	0	2,385,381
Change in Demographic Assumptions	0	2,904	186,100	0	0	189,004
Other Experience Changes	0	(19,735)	(278,000)	31,100	0	(266,635)
Return on Assets excluding amounts included in net interest	(15,518)	0	0	0	0	(15,518)
Adjustment for IFRIC 14 Net asset reduction	0	0	0	0	(91,250)	(91,250)
Total remeasurements recognised in Other Comprehensive Income	**(15,518)**	**141,750**	**2,134,900**	**31,100**	**(91,250)**	**2,200,982**

Statement of Financial Position

IAS19 requires the SFRS to account for pension liabilities of £2.884 billion as at 31 March 2024, (£3.121 billion in 2022/23) as valued by the actuaries noted above.

Table 5	As at 31 March 2024 £000s	As at 31 March 2023 £000s
Present value of liabilities:		
- Local Government Pension Scheme	0	0
- Firefighters' Pension Schemes	(2,834,393)	(3,064,593)
- Injury Benefits	(51,462)	(57,762)
Present value of assets in the Local Government Pension Scheme	0	0
Total Pension Liabilities	**(2,885,855)**	**(3,122,355)**
Present value of liabilities – Local Government Pension Scheme	(278,148)	(258,639)
Fair value of assets in the Local Government Pension Scheme	280,322	260,489
Total Pension Assets	**2,174**	**1,850**
Total Pension Position	**(2,883,681)**	**(3,120,505)**
(Deficit)/Surplus in the scheme:		
- Local Government Pension Scheme	2,174	1,850
- Firefighters' Pension Schemes	(2,834,393)	(3,064,593)
Sub-total	**(2,832,219)**	**(3,062,743)**
- Injury Benefits	(51,462)	(57,762)
Total	**(2,883,681)**	**(3,120,505)**

- The liabilities as at 31 March 2024 show the underlying commitments that the SFRS has in the long run to pay retirement benefits. The total liability of £2.884 billion has a substantial impact on the net worth of the SFRS as recorded in the SoFP, resulting in a negative overall balance of £2.350 billion. However, statutory arrangements for funding the deficit mean that the financial position of the SFRS remains healthy.

- As at the 31 March 2024, the net discount rate remained higher than in previous years, leading to a gain on the balance sheet for the LGPS. This has resulted in an asset surplus for the second year in a row. Asset surpluses have to be safeguarded and therefore restrictions are placed on any gain in the SoCNE.

- IAS 19 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. As there is no unconditional right to a refund, the actuaries have calculated whether there are economic benefits in the form of reductions in future contributions, in accordance with IFRIC 14. This has resulted in an asset ceiling of £2.174 million (£1.850 million for 2022/23) being calculated for the LGPS asset surplus that has arisen this financial year. An adjustment to the defined benefit plan asset has been required in accordance with IAS19 and IFRIC 14 to take account of the asset ceiling.

- In relation to the LGPS, the Statement of Financial Position is based on the 2023 Fund valuations. There has been a slight increase in the nominal discount rate from to 4.75% – 4.8% to 4.8% – 4.9% p.a. and CPI has remained the same at 2.7% – 2.95% in both 2022/23 and 2023/24. This has been offset by an increase in investment markets over the period which has resulted in an increase in asset values (total assets of £385.4 million in 2023/24 compared to £351.7 million in 2022/23, see table 13c below).

Although the SFRS is in an unusual position of having an asset surplus at 31 March 2023 and 2024, in previous years there has been a deficit on the LGPS. Any deficit is covered by increased contributions from the SFRS over the remaining working life of employees, as assessed by the scheme actuary, to ensure that accrued benefits can be paid. The total future contributions expected to be made to the LGPS in the year ending 31 March 2025, based on current membership is £3.240 million.

- The assessed actuarial liability in the Combined FPS Scheme (excluding injury benefits) as at 31 March 2024 is £2.834 billion. This compares to the liability of £3.065 billion as at 31 March 2023. The liability has decreased primarily due to an increase in the discount rate from 4.15% to 5.10%.

- Finance is only required to be raised to cover firefighters' pensions and injury benefits when the payments are made. Employer contributions are estimated to be £54,020 million in 2024/25 due to an increase in the contribution rate from 28.5% to 34.1%.

The following table shows the weighted average duration of the defined benefit obligation for scheme members for each of the schemes.

Table 6	LGPS		Firefighter Schemes		Injury Benefits	
	Year ended 31 March 2024	**Year ended 31 March 2023**	**Year ended 31 March 2024**	**Year ended 31 March 2023**	**Year ended 31 March 2024**	**Year ended 31 March 2023**
Weighted average duration in years of the defined benefit obligation	17.0	19.6	16.0	16.0	16.0	16.0

(c) Asset and Defined Benefit Obligation Reconciliation

Reconciliation of opening and closing deficit	LGPS Year ended 31 March 2024 £000s	Combined FPS Year ended 31 March 2024 £000s	Injury Benefits Year ended 31 March 2024 £000s	LGPS Year ended 31 March 2023 £000s	Combined FPS Year ended 31 March 2023 £000s	Injury Benefits Year ended 31 March 2023 £000s
Deficit at beginning of year	**1,850**	**(3,064,593)**	**(57,762)**	**(23,874)**	**(5,140,993)**	**(87,562)**
Current Service Cost	(7,456)	(47,300)	(900)	(16,034)	(120,600)	(2,400)
Employer Contributions	7,767	135,800	2,700	7,523	141,600	2,500
Past Service Costs	0	0	0	0	0	0
Curtailments / Settlements	0	0	0	0	0	0
Admin Expenses	(17)	0	0	(16)	0	0
Net Interest Cost	4,466	(125,400)	(2,400)	(731)	(79,500)	(1,400)
Actuarial (losses) / gains	9,465	267,100	6,900	126,232	2,134,900	31,100
Net Asset Restriction Applied	(13,901)	0	0	(91,250)	0	0
(Deficit) / Surplus at end of year	**2,174**	**(2,834,393)**	**(51,462)**	**1,850**	**(3,064,593)**	**(57,762)**
Reconciliation of opening and closing balances of the present value of the defined benefit obligation						
Opening Defined Benefit Obligation	**(258,639)**	**(3,064,593)**	**(57,762)**	**(379,076)**	**(5,140,993)**	**(87,562)**
Current Service Cost	(7,456)	(47,300)	(900)	(16,034)	(120,600)	(2,400)
Interest Cost	(12,300)	(125,400)	(2,400)	(10,346)	(79,500)	(1,400)
Member Contributions	(2,344)	0	0	(2,291)	0	0
Curtailments / Settlements	0	0	0	0	0	0
Past Service Costs	0	0	0	0	0	0
Transfers In from Other Authorities	0	(1,000)	0	0	(3,000)	0
Transfers Out to Other Authorities	0	400	0	0	900	0
Estimated Benefits paid	9,365	136,400	2,700	7,358	143,700	2,500
Actuarial (losses) / gains	(6,774)	267,100	6,900	141,750	2,134,900	31,100
Closing Defined Benefit Obligation	**(278,148)**	**(2,834,393)**	**(51,462)**	**(258,639)**	**(3,064,593)**	**(57,762)**

Reconciliation of opening and closing balances of the fair value of Scheme assets	LGPS Year ended 31 March 2024 £000s	LGPS Year ended 31 March 2023 £000s
Opening value of Scheme assets	**260,489**	**355,202**
Expected return on Scheme assets	16,766	9,615
Member Contributions	2,344	2,291
Curtailments / Settlements	0	0
Employer Contributions	7,767	7,523
Admin Expenses	(17)	(16)
Estimated Benefits paid	(9,365)	(7,358)
Actuarial (losses) / gains	16,239	(15,518)
Closing value of Scheme assets	**294,223**	**351,739**
Net Asset Restriction Applied	(13,901)	(91,250)
Value of Scheme assets at end of year after Net Asset Restriction Applied	**280,322**	**260,489**

Information in respect of the LGPS Defined Benefit Obligation

	Liability 31 March 2024		Liability 31 March 2023	
	£000s	%	£000s	%
Active Members	123,996	44.58%	125,323	48.46%
Deferred Members	40,753	14.65%	36,653	14.17%
Pensioner Members	102,948	37.01%	86,228	33.34%
Unfunded Obligations	10,452	3.76%	10,435	4.03%
	278,148	**100.00%**	**258,639**	**100.00%**

The FPS has no assets to cover its liabilities. LGPS assets are valued at fair value, principally market value for investments. The expected return on LGPS assets is based on the long-term future expected investment return for each asset class. These assets consist of the following categories:

	Year ended 31 March 2024			Year ended 31 March 2023		
Asset	**Quoted Prices in Active Markets £000s**	**Prices Not Quoted in an Active Market £000s**	**Total £000s**	**Quoted Prices in Active Markets £000s**	**Prices Not Quoted in an Active Market £000s**	**Total £000s**
Equity Securities						
Consumer	23,556	3	23,559	21,146	22	21,168
Manufacturing	25,949	3	25,952	20,582	257	20,839
Energy and Utilities	6,660	0	6,660	6,005	0	6,005
Financial Institutions	14,889	28	14,917	12,854	13	12,867
Health and Care	13,027	10	13,037	14,566	10	14,576
Information Technology	14,779	0	14,779	12,466	17	12,483
Other	22,699	0	22,699	22,739	0	22,739
Sub-total	**121,559**	**44**	**121,603**	**110,358**	**319**	**110,677**
Debt Securities						
Corporate Bonds	3,930	244	4,174	6,277	253	6,530
UK Government Bonds	11,949	1,744	13,693	9,482	1,414	10,896
Other	1,422	1,476	2,898	2,101	1,196	3,297
Sub-total	**17,301**	**3,464**	**20,765**	**17,860**	**2,863**	**20,723**
Private Equity	**1,001**	**49,755**	**50,756**	**36**	**46,028**	**46,064**
Property	**6,259**	**21,547**	**27,806**	**7,511**	**19,775**	**27,286**
Investment Funds and Unit Trusts						
Equities	29,756	73,016	102,772	26,633	62,632	89,265
Bonds	4,493	24,806	29,299	4,658	22,256	26,914
Commodities	0	742	742	0	70	70
Infrastructure	602	14,697	15,299	588	14,087	14,675
Other	1,937	4,667	6,604	1,947	3,523	5,470
Sub-total	**36,788**	**117,928**	**154,716**	**33,826**	**102,568**	**136,394**
Derivatives						
Foreign Exchange	**0**	**0**	**0**	**3**	**0**	**3**
Cash and Cash Equivalents	**6,447**	**3,380**	**9,827**	**9,679**	**913**	**10,592**
Total	**189,355**	**196,118**	**385,473**	**179,273**	**172,466**	**351,739**

(d) Statement of Changes in Taxpayers Equity

The actuarial gains and losses identified as movements on the Pensions Reserve for the year ended 31 March 2024 can be analysed into the following categories:

	Year ended 31 March 2024				Year ended 31 March 2023			
	LGPS	FPS	Injury Benefits	Total	LGPS	FPS	Injury Benefits	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Actual return less expected return on pension scheme assets	16,362	0	0	**16,362**	(15,518)	0	0	**(15,518)**
Changes in assumptions underlying the present value of the scheme liabilities	(6,897)	267,100	6,900	**267,103**	141,750	2,134,900	31,100	**2,307,750**
Net Asset Restriction Applied	(13,901)	0	0	**(13,901)**	(91,250)	0	0	**(91,250)**
Actuarial (losses) / gains in pension scheme	**(4,436)**	**267,100**	**6,900**	**269,564**	**34,982**	**2,134,900**	**31,100**	**2,200,982**
Actuarial (losses) / gains recognised in Statement of Changes in Taxpayers Equity	**(4,436)**	**267,100**	**6,900**	**269,564**	**34,982**	**2,134,900**	**31,100**	**2,200,982**

14. Related Party Transactions

The SFRS is an Other Significant Public Body sponsored by the Scottish Government Safer Communities Directorate. The Scottish Government is regarded as a related party. During the year, the SFRS had various material transactions with the Scottish Government and in addition had a number of material transactions with other government bodies (HMRC, Debt Management Office (DMO), local authorities and LGPS offices). During the year, apart from their service contracts, no Board member or senior employee or related parties have undertaken any material transactions with the SFRS.

There are related party relationships with the SFRS Educational, Cultural and Commemorative Trust (known as Fire and Rescue Heritage Scotland) and the SFRS Family Support Trust, both of which are charities where Trustees are employees of the SFRS. During the year, no funding (£56,220 in 2022/23) was provided to the SFRS Educational, Cultural and Commemorative Trust to support the development of the Museum of Scottish Fire Heritage. In 2022/23, the SFRS incurred costs totalling £60,525 that were recharged to the Trust in relation to staff costs, website development and other expenditure. Staff costs were absorbed by the SFRS in 2023/24, and no other costs were incurred on behalf of the Trust.

The SFRS provides payroll administration for the SFRS Family Support Trust, the relevant staff costs are then recovered from the SFRS Family Support Trust. During the year, the total salary cost recharged to the SFRS Family Support Trust was £137,335 (£130,883 in 2022/23), of which £34,517 (£32,595 in 2022/23) was included in accrued income at the year end.

Further information on Board members is contained within the Annual Governance Statement in the Annual report and can also be found on the SFRS website.

15. Right of Use Assets and Lease Liabilities

Our lease contracts comprise of Property (land, buildings and masts), Non-Property (vehicles, printers and franking machines) and Peppercorn assets in the form of long term land leases.

Right of Use Assets	Property Assets £000s	Non-Property Assets £000s	Peppercorn Assets £000s	Total £000s
Cost or Valuation				
As at 1 April 2023	3,787	1,023	1,735	6,545
Additions	0	42	0	42
Disposals	0	(189)	0	(189)
As at 31 March 2024	**3,787**	**876**	**1,735**	**6,398**
Depreciation & Impairment				
As at 1 April 2023	(158)	(463)	(20)	(641)
Depreciation charge for the year	(123)	(466)	(20)	(609)
Depreciation on disposals	0	185	0	185
As at 31 March 2024	**(281)**	**(743)**	**(40)**	**(1,065)**
Net Book Value as at 31 March 2024	**3,506**	**132**	**1,695**	**5,333**
Net Book Value as at 31 March 2023	**3,629**	**560**	**1,715**	**5,904**

Asset Financing:				
Owned	0	0	0	0
Leased	3,506	133	1,695	5,333
Carrying amount as at 31 March 2024	**3,506**	**133**	**1,695**	**5,333**

*Opening balances for all ROU Assets in 2023/24 were changed in the year due to a full review of IFRS16 Leases implemented in 2022/23.

Right of Use Assets	Property Assets £000s	Non-Property Assets £000s	Peppercorn Assets £000s	Total £000s
Cost or Valuation				
As at 1 April 2022	0	0	0	0
Recognition of ROU Assets on initial application of IFRS 16	3,787	1,023	1,735	6,545
Additions	0	0	0	0
Disposals	0	0	0	0
As at 31 March 2023	**3,787**	**1,023**	**1,735**	**6,545**
Depreciation & Impairment				
As at 1 April 2022	0	0	0	0
Recognition of ROU Assets on initial application of IFRS 16	0	0	0	0)
Depreciation charge for the year	(158)	(463)	(20)	(641)
Depreciation on disposals	0	0	0	0
As at 31 March 2023	**(158)**	**(463)**	**(20)**	**(641)**
Net Book Value as at 31 March 2023	**3,629**	**560**	**1,715**	**5,904**
Net Book Value as at 31 March 2022	**0**	**0**	**0**	**0**

Asset Financing:				
Owned	0	0	0	0
Leased	3,629	560	1,715	5,904
Carrying amount as at 31 March 2023	**3,629**	**560**	**1,715**	**5,904**

Right of use lease assets comprise:

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Assets valued at net present value of future lease payments	5,333	5,904
Assets valued at depreciated replacement cost (DRC)	0	0
Assets valued at existing use value (EUV)	0	0
Total	**5,333**	**5,904**

Lease Liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows are presented net of irrecoverable VAT.

Amounts falling due	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Not later than one year	310	519
Later than one year but not later than 5 years	354	594
Later than 5 years	3,096	3,130
Less: interest element	(37)	(40)
Balance as at 31 March	**3,723**	**4,203**
Current	310	519
Non-current	3,413	3,684
Total Lease liabilities	**3,723**	**4,203**

Amounts Recognised in the Statement of Comprehensive Net Expenditure

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Depreciation	609	641
Interest expense	37	40
Low value and short term leases	268	334
Irrecoverable VAT on right of use leases	0	0
Income from sub-leasing right of use assets	0	0
Expense relating to variable lease payments	0	0
Total	**914**	**1,015**

Amounts Recognised in the Statement of Cash Flows

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Interest expense	37	40
Repayments of principal on leases	519	613
Total	**556**	**653**

SFRS as Lessor

The SFRS leases out property and equipment under operating leases for a number of purposes, including radio masts and accommodation to various agencies. These leases can be cancelled at any time by the SFRS and therefore no future lease payments can be guaranteed after 2024. Rents receivable in the year ended 31 March 2024 totalled £0.765 million (£0.641 million in 2022/23). Included within rent receivable for 2023/24 was £0.659 million (£0.524 million in 2022/23) in relation to contingent rents, being recharge of utility costs for a number of the leased premises.

During 2023/24 there were 41 different lease agreements in place with 10 different organisations. Of the 41 lease agreements, 36 of these related to rental of office space or accommodation, 3 related to rental of land and 2 related to rental of radio masts to accommodate equipment.

16. Provisions

The following table shows the provisions transferred from legacy services and adjusted/added to by the SFRS. The provision for Public and Employee Liability exposure relates to obligations due in respect of any known liability claims made against the SFRS by third parties as at 31 March 2024. Whilst the SFRS knows about these claims when they arise and can use past experience to estimate the likely liability, the actual timing of these payments is uncertain as a result of the claims process having to run its course and for agreement to be reached with the insurers.

The other provisions represent obligations due in respect of legacy service employee related liabilities and are based on the latest information available at this time.

	Provisions less than one year			Provisions more than one year		
	Public & Employee Liability Exposure £000s	Other related liabilities £000s	Total £000s	Public & Employee Liability Exposure £000s	Other related liabilities £000s	Total £000s
Balance as at 1 April 2022	**638**	**240**	**878**	**1,275**	**0**	**1,275**
Additional provisions made year ended 31 March 2023	136	0	**136**	0	0	**0**
Amounts used year ended 31 March 2023	(610)	(240)	**(850)**	0	0	**0**
Unused amounts reversed in year ended 31 March 2023	0	0	**0**	0	0	**0**
Transfer from / (to) Long Term Provisions	316	0	**316**	(316)	0	**(316)**
Balance as at 31 March 2023	**480**	**0**	**480**	**959**	**0**	**959**
Additional provisions made year ended 31 March 2024	461	0	**461**	0	0	**0**
Amounts used year ended 31 March 2024	(171)	0	**(171)**	0	0	**0**
Unused amounts reversed in year ended 31 March 2024	0	0	**0**	0	0	**0**
Transfer from / (to) Long Term Provisions	(194)	0	**(194)**	194	0	**194**
Balance as at 31 March 2024	**576**	**0**	**576**	**1,153**	**0**	**1,153**

This reflects an increase of £0.290 million since 31/3/2023 (compared to a decrease of £0.714 million in the prior year).

17. Future Capital Commitments

The following table reflects commitments to capital projects for the financial year ending 31 March 2024 of £9.247 million (£7.287 million in 2022/23).

	Year ended 31 March 2024 £000s
Property	
Dalkeith Fire Station RAAC New Build	400
Salen Fire Station Development	400
Galashiels Fire Station RAAC Redevelopment	1,600
Dingwall Fire Station Redevelopment	850
Newcraighall Fire Station Redevelopment	1,800
Property Project Costs	346
Property Minor Works Projects	420
Vehicles	
Frontline Appliances	1,126
Light Appliances	1,195
ICT Equipment	
Operational Intelligence	226
ICT Project costs	180
New Mobilising System	704
Total	**9,247**

18. Grant in Aid

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Cash GiA received to meet operational expenditure	318,925	301,226
Cash GiA received to fund replacement capital expenditure	32,725	34,740
Total	**351,650**	**335,966**

Grant in Aid income received from the Scottish Government for the financial year ended 31 March 2024 was £351.650 million compared to a budget of £337.296 million. The £14.354 million variance relates to the timing of the VAT reclaim and changes in working capital, because of changes in year-end creditors and accruals.

No funds were drawn down in advance of need, as cash was only requested to meet expenditure as and when it was forecast to be required.

19. Long Term Debtors

Long term debtors consist of arrears payable to the Retained Duty System (RDS) Modified Pension Scheme and loans to employees in relation to payroll transition for a legacy service, whereby payments will be recovered at the end of an employee's service. The table reflects a decrease of £0.348 million since 31/3/2023 (compared to a decrease of £0.286 million in the prior year).

	As at 31 March 2024 £000s	As at 31 March 2023 £000s
Employee Pension Arrears repayment	230	573
Employee soft loans relating to legacy service payroll transition	28	33
Total	**258**	**606**

20. Inventories

The main categories of inventory held are shown below.

	Consumables £000s	Fuel £000s	Total £000s
Opening Balance as at 1 April 2022	**1,203**	**320**	**1,523**
Movement during the year	(42)	(51)	(93)
Stock written off	0	0	0
Opening Balance as at 1 April 2023	**1,161**	**269**	**1,430**
Movement during the year	29	5	34
Stock written off	0	0	0
Closing Balance as at 31 March 2024	**1,190**	**274**	**1,464**

The movement during the year was an increase of £0.034 million (£0.093 million decrease in 2022/23). Inventory recognised as an expense totalled £2.562 million (£2.501 million in 2022/23).

21. Resource limit – Outturn Year ended 31 March 2024

Expenditure Type	Year ended 31 March 2024			Year ended 31 March 2023
	Outturn £000s	Budget £000s	Variance £000s	Variance £000s
Department Expenditure Limit (DEL)				
Net Resource Expenditure	305,307	304,377	930	1,355
Net Capital Expenditure	32,725	32,725	0	(2)
Net Capital Expenditure RoU	41	194	(153)	(37)
Total DEL Expenditure	**338,073**	**337,296**	**777**	**1,316**
Ring-fenced DEL				
Depreciation	27,268	32,400	(5,132)	3,978
Depreciation – RoU Assets	589	615	(26)	(12)
Total Ring-fenced DEL	**27,857**	**33,015**	**(5,158)**	**3,877**
Total Annually Managed Expenditure (AME)				
Impairment	4,886	13,000	(8,114)	3,365
Provisions	290	1,000	(710)	(1,714)
Pension	(4,760)	10,000	(14,760)	(1,742)
Corporation Tax	0	1	0	(1)
Depreciation ROU Peppercorn	20	35	(15)	0
Total AME	**436**	**24,036**	**(23,600)**	**(92)**
Total Managed Expenditure	**366,366**	**394,347**	**(27,981)**	**5,239**

The outturn figures in the previous table are shown on an accruals basis. The total variance of £27.981 million represents both cash and non-cash items in the year ended 31 March 2024; the major contributing reasons are as follows.

Our key measure of financial performance is the comparison of expenditure against Departmental Expenditure Limit (DEL) funding provided by the Scottish Government.

The Resource DEL variance of £0.930 million for the year ended 31 March 2024 relates to a combination of factors noted in the following table and explained further in the subsequent narrative.

	Outturn £000s	Budget £000s	(Over) / Under £000s
Employee Costs	248,005	247,366	(639)
Operating Costs, including Loss on sale of assets	59,612	58,931	(681)
Income	(2,310)	(1,920)	390
Total	**305,307**	**304,377**	**(930)**

Overspends are shown in brackets.

The requirement to account for unused holiday at the end of the financial year, combined with changes to when holidays fall for Firefighters working shifts was the most significant element of the employee cost overspend. In addition, increased training activity and price increases for accommodation also contributed to this overspend. These overspends were partly offset by savings within all the staff categories with the implementation of the new policy to address unwanted fire alarm signals (UFAS) resulting in a significant reduction in cost for On-Call firefighters.

Operating Costs overspent mainly as a result of increased property related costs including utilities, rents, service contract and rates.

There was an over recovery of income mainly due to grants received in respect of electric vehicle charging points and the recovery of costs incurred at major events that the Service supported. These over recoveries were partially offset by an under recovery of income caused by delays in processing applications for firefighters that has completed their modern apprenticeship scheme.

The business as usual Capital DEL budget was fully spent. The Capital DEL position for Right of Use Asset (RoU) payments are underspent following a review of IFRS 16 Leases in the year which resulted in a different position to budget.

The Ring Fenced DEL budget for business as usual Depreciation in the year was £32.400 million, with the actual requirement being £27.268 million, resulting in an underspend of £5.132 million. The total Ring Fenced DEL budget for RoU Depreciation in the year was £0.615m, with the actual requirement being £0.589 million.

The AME Impairment budget of £13.000 million reflects the impairment of properties through the normal rolling programme of property valuations. The actual impairment in 2023/24 includes the impact of the impairment of properties due to the deduction of VAT from SFRS properties in 2017/18, which were revalued as at 16 March 2018 and also the impairment of fourteen Fire Stations where RAAC roofs were discovered in 2019/20. The reduction in VAT for all properties in 2017/18 was debited to the Revaluation Reserve as revaluation decreases. Where assets in the property portfolio were revalued upwards after 2018/19, the normal credits to the Revaluation Reserve were offset against the prior year's VAT debits. The reduction in value for all RAAC roof properties resulted in a decrease in the Revaluation Reserve in 2017/18. The subsequent increase in valuation of these properties since 2021/22 has been offset against the RAAC impairments. Therefore, for these two reasons, a lower impairment charge has resulted in the year. The actual impairment in 2023/24 is £4.886 million, £8.114 million lower than budget.

The variance on the AME Provisions budget of £0.71 million reflects the impact of new provisions being recognised and the release of provisions no longer required during the year being less than budgeted.

AME Pension budget of £10 million was provided to cover the impact on the SoCNE of

LGPS IAS19 adjustments (see Note 13 (b), Statement of Net Comprehensive Expenditure). The effect of these adjustments in 2023/24 is an underspend of £4.760 million compared to £9.258 million in 2022/23, resulting in an under-utilisation of budget cover of £14.760 million (under-utilisation of £1.742 million in 2022/23). This has been caused by a number of factors including an increase in employer contributions and a significant decrease in the net interest cost.

The combined AME budget across all items is under-utilised by £27.981 million, however this does not represent cash based transactions.

22. Financial Instruments

Disclosure of Nature and Extent of Risk Arising from Financial Instruments

Key Risks

As the cash requirements of the Board are met through Grant in Aid provided by the Scottish Government, financial instruments play a more limited role in creating and managing risks than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Board's expected purchase and usage requirements and the Board is therefore exposed to little credit, liquidity or market risk.

The main elements of risks that the Board is exposed to are:

- **Credit risk** – the possibility that other parties might fail to pay amounts due to the Board.
- **Liquidity risk** – the possibility that the Board might not have funds available to meet its commitments to make payments.
- **Market risk** – the possibility that financial loss might arise for the Board as a result of changes in such measures as interest rates and stock market movements.

Overall Procedures for Managing Risk

The Board's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The Board formally adopts the requirements set out within the Financial Reporting Manual (FReM) and the Scottish Public Finance Manual and through The Audit and Risk Assurance Committee, ensures that appropriate risk management, governance and internal control systems, principles and policies are in place and operating effectively. These principles are implemented and followed by the Finance Department.

Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposure to customers.

For banks, funds are held and transacted through Government Banking Scheme accounts. Transactional services are provided by NatWest, with corporate banking arrangements held with The Royal Bank of Scotland. Therefore, there is little exposure to credit risks from these deposits.

Credit risk is the risk of financial loss to the Board if a customer fails to meet their contractual obligations. Customers for goods and services are assessed, taking into account their

financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in line with parameters set by the Board.

The following analysis summaries the Board's maximum exposure to credit risk on other financial assets, based on experience of default, adjusted to reflect current market conditions.

Narrative	As at 31 March 2024 £000s	As at 31 March 2023 £000s
Trade Receivables	306	466
Total	**306**	**466**

Of the £13.619 million total Trade and Other Receivables figure (£11.213 million in 2022/23), £0.306 million (£0.466 million in 2022/23) relates to trade receivables. The SFRS generally allows 30-day credit terms for its trade receivables, and all efforts will be made to ensure that debts are paid. Trade receivables can be analysed by age as shown in the following table:

	As at 31 March 2024 £000s	As at 31 March 2023 £000s
Less than three months	280	442
Three to six months	2	1
Six months to one year	4	1
More than one year	20	22
Total	**306**	**466**

Collateral – During this and the previous reporting period, the Board held no collateral as security.

Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they fall due. This risk is managed by ensuring that enough funds are available to meet liabilities as they fall due by carrying out rigid and close monitoring of cashflow on a daily basis and regular reviews of expenditure requirements during the month. The Board's main source of income is Grant in Aid income provided by the Scottish Government. Therefore, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Market Risk

Market Risk is the risk that financial loss might arise as a result of changes in measures such as interest rates. The borrowings held by the SFRS were taken out by legacy Fire and Rescue Services or on behalf of legacy Fire and Rescue Services by the lead authority. 71% (71% in 2022/23) of the borrowings held by the SFRS are at fixed interest rates with the interest on the remainder calculated by each former lead authority using a pooled interest rate which is applied to all loans in their portfolio. All borrowings relate to legacy services as the SFRS has no power to borrow funds and therefore, no new borrowings have been entered into since the SFRS was established as a single national service in 2013. Any additional interest due as a result of changes in interest rates in future years will be met from Grant in Aid income provided by the Scottish Government.

Financial Instruments Balances

The borrowings disclosed in the SoFP are made up of the following categories of financial instruments:

Financial Liabilities by Category

Loans and Payables	As at 31 March 2024		As at 31 March 2023	
	Current £000s	Non-Current £000s	Current £000s	Non-Current £000s
Loans direct from PWLB / National Loans Fund	3,896	19,196	2,044	22,831
Loans direct from Commercial Lenders	5	1,500	4	1,500
Loans from Scottish Local Authorities*	1,283	10,181	1,390	11,111
Loans sub-total	***5,183***	***30,877***	***3,438***	***35,442***
Lease Liabilities	722	3,001	348	4,536
Trade and other payables not including non-financial liabilities	6,655	0	5,783	0
Total Financial liabilities	**12,560**	**33,878**	**9,569**	**39,978**

**The SFRS is responsible for loans from legacy services, including a mix of PWLB and market borrowing made by several Councils which was passed on to the former services. These loans are accounted for in the Councils' loans fund, and the SFRS is liable to make interest and principal repayments to the Councils.*

This reflects repayment of borrowing in 2023/24 of £2.820 million (£5.155 million in 2022/23). Further information on lease liabilities is provided in Note 32.

Financial Assets by Category

Other Financial Assets	As at 31 March 2024		As at 31 March 2023	
	Current £000s	Non-Current £000s	Current £000s	Non-Current £000s
Trade and other receivables not including non-financial assets	306	0	466	0
Cash and cash equivalents	498	0	538	0
Total Financial assets	**804**	**0**	**1,004**	**0**

Unusual Movements

There have been no unusual movements throughout the year or the previous financial year.

Reclassification

There has been no reclassification of a financial instrument throughout the year or the previous financial year.

Derecognition of Instruments

There has been no derecognition of a financial instrument throughout the year or the previous financial year.

Defaults and Breaches

There have been no defaults and breaches throughout the year or the previous financial year.

Financial Instruments Gains/Losses

The gains and losses recognised in the SoCNE in relation to financial instruments are made up as follows:

Financial Instruments Losses Year ended 31 March 2024	**Financial Liabilities Other Liabilities**	**Financial Assets Loans and trade receivables**	**Total**
	£000s	**£000s**	**£000s**
Interest expense - borrowings	1,843	0	**1,843**
Interest expense - right of use assets	37	0	**37**
Impairment losses	0	0	**0**
Interest payable and similar charges	**1,880**	**0**	**1,880**
Interest income	0	0	**0**
Interest and investment income	**0**	**0**	**0**
Net loss for the year	**1,880**	**0**	**1,880**

Financial Instruments Losses Year ended 31 March 2023	**Financial Liabilities Other Liabilities**	**Financial Assets Loans and trade receivables**	**Total**
	£000s	**£000s**	**£000s**
Interest expense – borrowings	2,064	0	**2,064**
Impairment losses	40	0	**40**
Interest payable and similar charges	0	0	**0**
Interest income	**2,104**	**0**	**2,104**
Interest and investment income	0	0	**0**
Net loss for the year	**2,104**	**0**	**2,104**

The total charged to the SoCNE in the year ended 31 March 2024 for loan expenses was £0.003 million (£0.003 million in 2022/23).

Fair Value of Assets and Liabilities

As permitted by IFRS 7 *Financial Instruments: Disclosures*, the fair value of lease liabilities is not included in the table below. Financial liabilities and financial assets represented by loans and receivables are carried on the SoFP, their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the PWLB and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable, prevailing benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months, or is a trade or other receivable, the fair value is taken to be the carrying amount or the billed amount.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

	As at 31 March 2024		As at 31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	Current	Current	Non-Current	Non-Current
	£000s	£000s	£000s	£000s
Loans direct from PWLB / National Loans Fund	3,635	3,713	19,196	21,555
Loans direct from Commercial Lenders	0	0	1,500	1,607
Loans from Scottish Local Authorities	930	979	10,181	11,214
Total debt	**4,565**	**4,692**	**30,877**	**34,376**
Other financial liabilities	0	0	0	0
Total Financial liabilities	**4.565**	**4,692**	**30,877**	**34,376**

	As at 31 March 2023		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	Current	Current	Non-Current	Non-Current
	£000s	£000s	£000s	£000s
Loans direct from PWLB / National Loans Fund	1,772	1,805	22,831	26,478
Loans direct from Commercial Lenders	0	0	1,500	1,764
Loans from Scottish Local Authorities	1,049	1,102	11,111	12,460
Total debt	**2,821**	**2,907**	**35,442**	**40,702**
Other financial liabilities	0	0	0	0
Total Financial liabilities	**2,821**	**2,907**	**35,442**	**40,702**

The fair values of loans are calculated using Fair Value Hierarchy Level 2 inputs whereby Level 2 inputs are inputs other than quoted prices that are observable for the liability, either directly or indirectly. The fair value is greater than the carrying amount because the Board's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the SoFP date.

The fair values for financial liabilities have been determined by reference to the Public Works Loan Board (PWLB) redemption rules and prevailing PWLB redemption rates as at each SoFP date, and include accrued interest. The fair values for non-PWLB debt have also been calculated using the same procedures and interest rates and this provides a sound approximation for fair value for these instruments.

The fair values for loans have been determined by reference to the PWLB redemption rules which provide a good approximation for the fair value of a financial instrument. The comparator market rates prevailing have been taken from indicative investment rates at each SoFP date. In practice, rates will be determined by the size of the transaction and the counterparty, but it is impractical to use these figures, and the difference is likely to be immaterial.

23. Non-Current Assets: Tangible Assets as at 31 March 2024

Tangible Assets	Operational Assets							Non-Operational Assets			Total
	Land	Buildings	Dwellings	Vehicles	Operational Equipment	ICT Equipment	Infra-structure	Assets under construction	Heritage Assets	Surplus Assets	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation											
As at 1 April 2023	**134,425**	**355,942**	**828**	**118,292**	**49,493**	**31,227**	**2,355**	**28,136**	**1,231**	**2,505**	**724,434**
Additions	0	8,102	0	5,494	2,864	2,534	0	13,928	0	0	32,922
Transfers in/(out)	0	17,557	0	(2,606)	3,390	(3,149)	1,731	(22,747)	0	5,804	(20)
Disposals	0	0	0	(230)	0	0	0	0	0	(1,324)	(1,554)
Revaluation - Revaluation Reserve	6,958	(1,336)	2	0	0	0	131	0	0	(1,106)	4,649
As at 31 March 2024	**141,383**	**380,265**	**830**	**120,950**	**55,747**	**30,612**	**4,217**	**19,317**	**1,231**	**5,879**	**760,431**
Depreciation & Impairment											
As at 1 April 2023	**(3.947)**	**(30,009)**	**(656)**	**(62,847)**	**(35,860)**	**(20,887)**	**(385)**	**0**	**(166)**	**(2,110)**	**(156,867)**
Depreciation charge for the year	0	(10,784)	(6)	(6,937)	(5,331)	(3,810)	(356)	0	0	0	(27,224)
Depreciation – Revaluation Reserve	0	10,267	6	0	0	0	211	0	0	1,198	11,682
Impairments – Revaluation Reserve	259	5,368	0	0	0	0	0	0	0	(10)	5,617
Impairments – SoCNE	116	(4,776)	0	0	0	0	28	0	0	(253)	(4,885)
Transfers in/(out)	0	0	0	2,467	0	3,002	0	0	0	(5,470)	(1)
Disposals	0	0	0	174	0	0	0	0	0	1,209	1,383
Revaluation decrease – Rev Reserve	(162)	(678)	0	0	0	0	0	0	0	1	(839)
As at 31 March 2024	**(3,734)**	**(30,612)**	**(656)**	**(67,143)**	**(41,191)**	**(21,695)**	**(502)**	**0**	**(166)**	**(5,435)**	**(171,134)**
Net Book Value as at 31 March 2024	**137,649**	**349,653**	**174**	**53,807**	**14,556**	**8,917**	**3,715**	**19,317**	**1,065**	**444**	**589,297**
Net Book Value as at 31 March 2023	**130,478**	**325,933**	**172**	**55,445**	**13,633**	**10,340**	**1,970**	**28,136**	**1,065**	**395**	**567,567**
Asset Financing:											
Owned	137,560	349,653	174	53,660	14,556	8,917	3,715	19,317	1,065	444	**589,061**
Finance Leased	89	0	0	0	0	0	0	0	0	0	**89**
Donated	0	0	0	147	0	0	0	0	0	0	**147**
Carrying amount as at 31 March 2024	**137,649**	**349,653**	**174**	**53,807**	**14,556**	**8,917**	**3,715**	**19,317**	**1,065**	**444**	**589,297**

*Opening balance figure for Land and Buildings amended in the year following an IFRS 16 review affecting prior year figures.

Tangible Assets as at 31 March 2023

Tangible Assets	Operational Assets							Non-Operational Assets			Total
	Land	Building	Dwelling	Vehicles	Operational Equipment	ICT Equipment	Infra-structure	Assets under construction	Heritage Assets	Surplus Assets	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation											
As at 1 April 2022	**127,772**	**313,619**	**821**	**114,033**	**46,948**	**17,611**	**403**	**49,162**	**1,211**	**2,617**	**674,197**
Additions	0	9,537	0	2,233	2,985	3,390	736	17,694	10	0	36,585
Transfers in/(out)	0	23,663	0	2,545	(440)	10,226	1,153	(38,720)	0	1,576	3
Disposals	0	0	0	(519)	0	0	0	0	0	(1,038)	(1,557)
Revaluation - Revaluation Reserve	6,653	9,121	7	0	0	0	63	0	10	(650)	15,204
As at 31 March 2023	**134,425**	**355,942**	**828**	**118,292**	**49,493**	**31,227**	**2,355**	**28,136**	**1,231**	**2,505**	**724,434**
Depreciation & Impairment											
As at 1 April 2022	**(1,424)**	**(19,677)**	**(661)**	**(56,806)**	**(30,246)**	**(8,495)**	**(76)**	**0**	**(166)**	**(2,031)**	**(119,582)**
Depreciation charge for the year	0	(10,167)	(6)	(7,454)	(6,021)	(7,172)	(175)	0	0	0	(30,995)
Depreciation – Revaluation Reserve	0	11,543	11	0	0	0	150	0	0	726	12,430
Impairments – Revaluation Reserve	(2,428)	(4,062)	0	0	0	0	(39)	0	0	(6)	(6,535)
Impairments – SoCNE	242	(6,253)	0	(26)	0	(5,220)	(245)	0	0	(114)	(11,616)
Transfers in/(out)	0	0	0	1,005	407	0	0	0	0	(1,412)	0
Disposals	0	0	0	434	0	0	0	0	0	727	1,161
Revaluation decrease – Rev Reserve	(337)	(1,393)	0	0	0	0	0	0	0	0	(1,730)
As at 31 March 2023	**(3,947)**	**(30,009)**	**(656)**	**(62,847)**	**(35,860)**	**(20,887)**	**(385)**	**0**	**(166)**	**(2,110)**	**(156,867)**
Net Book Value as at 31 March 2023	**130,478**	**325,933**	**172**	**55,445**	**13,633**	**10,340**	**1,970**	**28,136**	**1,065**	**395**	**567,567**
Net Book Value as at 31 March 2022	**126,348**	**293,942**	**160**	**57,227**	**16,702**	**9,116**	**327**	**49,162**	**1,045**	**586**	**554,615**
Asset Financing:											
Owned	130,398	325.933	172	55,300	13,633	10,340	1,970	28,136	1,065	395	**567,342**
Finance Leased	80	0	0	0	0	0	0	0	0	0	**80**
Donated	0	0	0	145	0	0	0	0	0	0	**145**
Carrying amount as at 31 March 2023	**130,478**	**325,933**	**172**	**55,445**	**13,633**	**10,340**	**1,970**	**28,136**	**1,065**	**395**	**567,567**

Note 1: Donated assets shown in the table above include vehicles and operational equipment provided to the legacy services which transferred to the SFRS on 1 April 2013. These will be used for fire and rescue purposes in accordance with terms and conditions set out by Scottish Government.

Note 2: The Depreciation and Impairment figures shown in the SoCNE reconcile to the following figures in the previous tables:

	2023/24		2022/23	
	£000s	£000s SoCNE	£000s	£000s SoCNE
Depreciation charge in the year – Tangible Assets	27,224		30,995	
Depreciation charge in the year – Intangible Assets	44		84	
Depreciation charge in the year – Right of Use Assets	609		641	
Impairments – SoCNE – Tangible Assets	4,886		11,615	
Impairments – SoCNE – Assets held for Sale	-		-	
Depreciation and Impairment		32,763	-	43,335
Total Depreciation and Impairment	**32,763**	**32,763**	**43,335**	**43,335**

Depreciation and Impairment for Right of Use Assets is £0.609 million (£0.386 million in 2022/23). Depreciation and Impairment for the other asset categories included above is £32.154 million (£42.444 million in 22/23).

Note 3: The Revaluation Gain figure shown in the SoCNE comes from the following figures in the tables above:

	2023/24		2022/23	
	£000s	£000s SoCNE	£000s	£000s SoCNE
Revaluation – Revaluation Reserve – Tangible Assets	4,649		15,204	
Revaluation – Revaluation Reserve – Assets held for Sale	-		-	
Depreciation – Revaluation Reserve – Tangible Assets	11,682		12,430	
Impairments - Revaluation Reserve – Intangible Assets	-		-	
Impairments – Revaluation Reserve – Tangible Assets	5,617		(6,534)	
Impairments – Revaluation Reserve – Assets held for Sale	-		-	
Revaluation decrement – Revaluation Reserve – Tangible Assets	(839)		(1,729)	
Revaluation Gain	-	21,109	-	19,371
Total Revaluation Gain	**21,109**	**21,109**	**19,371**	**19,371**

Intangible Assets as at 31 March 2024

Intangible Assets	Software £000s	Total £000s
Cost or valuation		
As at 1 April 2023	4,555	4,555
Transfers out	(5)	(4)
As at 31 March 2024	**4,550**	**4,551**
Depreciation		
As at 1 April 2023	(4,504)	(4,504)
Depreciation charge for the year	(44)	(44)
As at 31 March 2024	**(4,548)**	**(4,548)**
Net Book Value as at 31 March 2024	**2**	**3**
Net Book Value as at 31 March 2023	**51**	**51**

Asset Financing:		
Owned	2	3
Carrying amount as at 31 March 2024	**2**	**3**

Intangible Assets as at 31 March 2023

Intangible Assets	Software £000s	Total £000s
Cost or valuation		
As at 1 April 2022	4,541	4,541
Additions	14	14
As at 31 March 2023	**4,555**	**4,555**
Depreciation		
As at 1 April 2022	(4,420)	(4,420)
Depreciation charge for the year	(84)	(84)
As at 31 March 2023	**(4,504)**	**(4,504)**
Net Book Value as at 31 March 2023	**51**	**51**
Net Book Value as at 31 March 2022	**121**	**121**

Asset Financing:		
Owned	51	51
Carrying amount as at 31 March 2023	**51**	**51**

The total Additions of Tangible and Intangible Assets are shown below:

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Tangible Asset Additions	32,922	36,585
Intangible Asset Additions	0	14
Total	**32,922**	**36,599**

24. Assets held for sale as at 31 March 2024

Assets Held for Sale	Non-Operational Assets £000s	Total £000s
Cost or valuation		
As at 1 April 2023	0	0
Additions		
Transfers in/out	27	27
Disposals	(27)	(27)
Revaluation – Revaluation Reserve	0	0
Other movements	0	0
As at 31 March 2023	**0**	**0**
Impairment		
As at 1 April 2023	0	0
Impairments – Revaluation Reserve	0	0
Impairments – SoCNE	0	0
Transfers in/out	0	0
Disposals	0	0
Other movements	0	0
As at 31 March 2024	**0**	**0**
Net Book Value as at 31 March 2024	**0**	**0**
Net Book Value as at 31 March 2023	**0**	**0**
Asset Financing:		
Owned	0	0
Carrying amount as at 31 March 2024	**0**	**0**

Assets held for sale as at 31 March 2023

Assets Held for Sale	Non-Operational Assets £000s	Total £000s
Cost or valuation		
As at 1 April 2022	(1)	(1)
Additions	0	0
Transfers in/out	0	0
Disposals	0	0
Revaluation – Revaluation Reserve	0	0
Other movements	1	1
As at 31 March 2023	**0**	**0**
Impairment		
As at 1 April 2022	1	1
Impairments – Revaluation Reserve	0	0
Impairments – SoCNE	0	0
Transfers in/out	0	0
Disposals	0	0
Other movements	(1)	(1)
As at 31 March 2023	**0**	**0**
Net Book Value as at 31 March 2023	**0**	**0**
Net Book Value as at 31 March 2022	**0**	**0**
Asset Financing:		
Owned	0	0
Carrying amount as at 31 March 2023	**0**	**0**

25. Net Gain/(Loss) on Disposal of Fixed Assets

Disposals in the year were for the sale of Vehicles. Where possible, some of the vehicles were re-classified as Surplus in the prior year and some of the vehicles were still classified as operational until the point of disposal.

The following table analyses the subsequent gain/(loss) shown in the SoCNE following disposal:

Asset	Sale Proceeds £000s	Net Book Value £000s	Gain / (Loss) £000s
Vehicles - Surplus	69	74	(5)
Vehicles – Operational	102	94	8
Properties - Surplus	8	27	(19)
ROU Assets	0	3	(3)
Total	**179**	**198**	**(19)**

26. Impairments and Revaluations

At 31 March 2024, all land, buildings and dwellings assets due for valuation under the five-year rolling programme of valuations (59% of portfolio), were valued by the in-house Estates and Valuations Surveyor (Russell Munn BSc MRICS). The basis of these valuations was as follows:

- Land and Buildings, where there is no market-based evidence of fair value: Depreciated Replacement Cost (DRC)
- All other Land and Buildings: Existing Use Value (EUV)

This resulted in impairments of £4.886 million, reflected as a loss in the SoCNE, and revaluation increase of £21.109 million, shown as a credit to the Revaluation Reserve.

Other non-current assets are valued at depreciated historic cost.

27. Contingent Assets / Liabilities

(a) Contingent Asset: Compensation claim against supplier

The contract with Systel to supply a new Command and Control Mobilising System was terminated in December 2022 due to milestones not being met. A claim for compensation was lodged against Systel in March 2023 and the Service is continuing to pursue this claim. The company is based in France and are in the equivalence of administration but continue to trade.

(b) Contingent Liability: Pension Benefits for Retained Firefighters ('Matthews' Case)

The 2006 (Special) Scheme was introduced on 23 May 2014, following a successful legal challenge to the rules which had previously prevented retained firefighters from joining the 1992 Scheme. As the 1992 Scheme was closed in 2006, a 'special' category of the 2006 Scheme was created that mirrored many of the rules and benefits that would have been available to these members if they had originally been allowed membership in the 1992 Scheme.

A time-limited options exercise was carried out between 2014 and 2015 which allowed existing and former retained firefighters with service between 1 July 2000 and 5 April 2006, an opportunity to join the 2006 Scheme as special members, subject to the payment of appropriate contributions, in respect of their service during that period.

In 2018, the Court of Justice of the European Union ruled that a part-time fee-paid judge, with service between 1 July 2000 and 5 April 2006, should have his pension backdated to include all his historic service in the Judicial Pension Scheme.
As a result of this ruling Scottish Ministers agreed to extend the pension entitlement to eligible retained firefighters to cover service pre-July 2000. It is expected that this

option exercise will open sometime during or shortly after 2023/24.This will increase the pension entitlement for some current special retained members and allow access to the scheme for additional historic retained firefighters. However, the pension administrator is still in the process of planning for the Matthews remedy and are unable to provide data on the eligible members at the Accounting Date, therefore, no allowance has been included in the 2023/24 Accounts.

28. Firefighters' Pensions Reconciliation

The requirements to prepare a Firefighters' Pension Account for the SFRS were specified in the Firefighters' Pension Scheme Amendment (Scotland) (No.2) Order 2010 (SSI 332/2010; see also SSI 333/2010). This order has now been revoked; however, this reconciliation is provided to demonstrate good practice and maintain a record of payments made and income received in respect of Firefighters' pensions.

Funding for Fire Pension payments, with the exception of ill-health and injury benefits, is not included in the GiA funding provided by the Scottish Government. A specific grant is paid to the SFRS to take account of the funding required to meet the cost of employer contributions.

Although the Firefighters' Pension Account operates on an accruals basis, provisions for potential retirement (e.g., commuted sums) are not included as a charge against the Firefighters' Pension Account.

The following table illustrates the transactions on the Pension Account.

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Contributions receivable:		
Fire and Rescue Service:		
Contributions based on pensionable pay	(42,519)	(39,885)
Early retirements	(565)	(312)
Transfer Values In	(963)	(3,030)
Officers' contributions	(20,550)	(18,996)
Seconded Officer Income	(44)	(40)
Total Receivable	**(64,641)**	**(62,263)**
Benefits payable:		
Pensions	118,074	106,914
Commutations and lump sum retirement benefits	19,925	37,852
Lump sum death benefits	102	522
Transfer values paid	364	917
Total Benefits Payable	**138,465**	**146,205**
Deficit before Funding	**(73,824)**	**(83,942)**
Creditor/(Debtor) at start of financial year	4,677	2,095
Fire Pension Grant – total grant received	110,888	126,408
Less: Employers Contributions	(42,519)	(39,884)
Carried forward surplus/(deficit)	**(778)**	**4,677**

The £0.778 million deficit is contained within the Trade and Other Receivables figure of £7.156 million for Central Government Bodies shown in Note 9.

29. Other Reserve Movement

	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Revaluation Reserve Write Off – Disposal of Assets Held for Sale	0	0
Revaluation Reserve Write Off – Disposal of Surplus Vehicles	123	222
Revaluation Reserve Write Off – Impairment of RAAC roof properties	7	34
Total	**130**	**256**

In accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations,* assets identified as Assets Held For Sale must be revalued from Depreciated Replacement Cost (DRC) to Market Value at the time of transfer from Operational Assets to Assets Held For Sale. The impairment of the assets must be charged to the SoCNE and not be offset against any available Revaluation Reserve on that asset. In the year of disposal, the Revaluation Reserve balance must be written off to the General Fund.

30. Deferred Income

The SFRS was provided a grant from Transport Scotland to cover the costs of lease payments for a three-year period, for 45 Ultra-Low Emission Vehicles (Electric Cars) during financial year 2019/20. This was to comply with the Scottish Government's vision of freeing Scotland's towns, cities and communities from the damaging effects of diesel and petrol fuelled vehicles by 2050, as per Transport Scotland's document "Switched on Scotland Phase two: An Action Plan for Growth".

A grant was also received in 2019/20 from the Energy Savings Trust to cover the cost of charging points for these vehicles (Phase 1).

Additional grants were provided in 2020/21, one from Transport Scotland to cover the costs of lease payments for a three-year period, for 62 Ultra-Low Emission Vehicles (Electric Cars) and for the cost of charging points for these vehicles (Phase 2) and one from the Energy Savings Trust to cover the cost of additional charging points (Phase 3).

The grants received in 2019/20 and 2020/21 for the vehicles were for a three-year period, and 10 years for the charging points. Only one year of the income will be matched to the cost of the lease payments and charged to the SoCNE. The remaining income has been charged to the SoFP and is being released over the remaining period that we pay for the lease costs of the vehicles and the usage of the charging points.

Four De-carbonisation grants were received in 2021/22 from the Scottish Government's Directorate for Energy & Climate Change (DECC). These grants covered the costs of a Biomass Boiler at Fort William Fire Station, Solar PV Installations across various sites, Building Energy Management System installations at various sites and Retained Estate Energy Efficiency works across some Retained properties. Only one year of the income will be matched to the works and charged to the SoCNE. The remaining income has been charged to the SoFP and is being released over the remaining useful lives of the assets which benefitted from these grants. Asset lives range from 20 years to 43 years.

Transport Scotland provided SFRS a grant in 2022/23 for another batch of EV Charging Points across the service (Phase 4). Only one year of the income will be matched to the cost of the works and charged to the SoCNE. The remaining income has been charged to

the SoFP and is being released over the remaining useful lives of the assets (10 years). The following table show the future minimum payments committed to by the SFRS:

Deferred income	Year ended 31 March 2024 £000s	Year ended 31 March 2023 £000s
Not later than one year	0	0
Later than one year but not later than 5 years	2,047	1,781
Later than 5 years	2,656	3,550
Total	**4,703**	**5,331**

This reflects a decrease in Deferred Income greater than 12 months of £0.629 million since 31/3/2023 (compared to an increase of £1.196 million in the prior year).

THE SCOTTISH FIRE AND RESCUE SERVICE

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of section 42A (1) of the Fire (Scotland) Act 2005 (inserted by section 118 of the Police and Fire Reform (Scotland) Act 2012) hereby give the following direction.

2. The statement of accounts for the financial year ending 31 March 2022, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.

3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses and cash flows for the financial period and of the state of affairs at the end of the financial period.

4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated: