

Scottish Firefighters' Pension Scheme Advisory Board

MINUTES

Date: 23 February 2021

Location: Microsoft Teams

Chair: Tom Nash (SPPA)

Attendees: Brian Baverstock (BB), Scottish Fire and Rescue Service
Ramona Coxall (RC), Scottish Fire and Rescue Service
Robert Fornear (RF), (GAD)
Nicola Hector (NH), Scottish Fire and Rescue Service
Chris McGlone (CMcG), Fire Brigades Union
Gordon McQuade (GMc), Fire Brigades Union
Glyn Morgan (GM), Fire Officers' Association

Scottish Government/Scottish Public Pensions Agency Officials:

Iain Coltman (IC), SPPA

Derek Smith (DS), SG SCD: Fire & Rescue Unit

Molly Wyllie (MW), SPPA

Observer: Clair Alcock (CA), Local Government Association

Apologies: Claire Hey (CH) (Local Government Association)
Stuart MacArthur (SM), SPPA
Claire McGow (CMc), SPPA
Anne-Marie Pettie (AP), (GAD)
Ade Robinson (AR), (Fire Officers' Association)
Mark Rowe (MR), Fire Brigades Union
George Russell (GR), (GAD)
Lorna Smith (LS), SG SCD: Fire & Rescue Unit
Sean Starbuck (SS), Fire Brigades Union

Secretariat: Clare Campbell, SPPA

1. Welcome and apologies.

1.1 The Chair welcomed everyone to the Interim Scheme Advisory Board meeting and noted apologies.

2. Conflicts of interest

2.1 No new conflicts of interest declared.

3. Cost Cap Update (GAD)

3.1 RF gave a brief recap of the Cost Cap and a timeline of events before confirming he would discuss how this issue impacts on the finalisation of the 2016 valuations. A series of slides were then presented to the group.

- 3.2 DS enquired why they were going ahead with the evaluation of whether a floor breach had occurred when in theory the CARE scheme should be less expensive than the Final Salary. RF confirmed that the calculations had to proceed in line with HM Treasury (HMT) Directions.
- 3.3 CMcG noted the inclusion of member costs in the valuation and asked if there was any possibility members could be disadvantaged in the subsequent 2020 valuation if HMT deferred certain decisions until then. RF stated that the 2020 valuation was at a very early stage and would be ongoing for some time.
- 3.4 IC requested clarification for the Board whether the 2020 valuation would be undertaken on the basis of the outcome of the Government Actuary's ongoing review of the cost cap mechanism. RF confirmed that the Government Actuary would report to HMT in the coming months and it would be for HMT to decide the framework for subsequent valuations.
- 3.5 The Chair thanked RF for his presentation.

4. Summary of HM Treasury's age discrimination remedy announcement

- 4.1 IC reminded the Board that the SPPA issued a circular on 5 February based on HMT's Consultation response document. An annex of FAQs is included within the circular but SPPA would encourage board members to pass on any recurring themes or issues to IC or CMc so these can continually be updated.
- 4.2 IC confirmed that under Disclosure Regulations scheme managers are required to inform members of any material change to the scheme and SPPA believe that the remedy will fall under this category. Further discussions will be held at a later date on how to best action this but IC welcomed any suggestions the group may wish to bring forward.
- 4.3 IC presented a remedy timetable to the group and talked through the timeline as it currently stands. It was suggested that some of the scheme specific issues that may arise from this timetable could be discussed further at the upcoming SAB meeting on 16 March 2021. IC also confirmed the provisional timetable can be shared with the SAB.
- 4.4 IC confirmed that work on Immediate Detriment cases has paused following guidance from HMT. Various tax issues require resolution before work can proceed. IC is hopeful that there may be developments and a clearer picture of where things stand in the next few months.
- 4.5 CMcG enquired whether the October 2023 backstop provision contained in the remedy timetable spreadsheet was likely to be utilised and if it can be extended (if required). IC stated that it was anticipated this date would be included in primary legislation, though SPPA was optimistic that progress could be made in advance of that deadline.
- 4.6 IC notified the group that GAD had provided SPPA with an ill health modeller that could be shared with board members. RC confirmed this would be helpful and SPPA agreed to distribute this.
- 4.7 NH enquired as to whether there is anything else as an employer they should be doing imminently to support members, confirming that they had issued the circular and added it to their intranet page. IC confirmed that the SPPA Project Board would likely be in touch soon to discuss the next steps.
- 4.8 IC referred to the SABs consultation response that suggested 2006 scheme transition members may be able to provide an "indicative choice" rather than be placed automatically

into their legacy scheme for the remedy period. GM noted that HMT do not appear to want scheme specific provisions. IC agreed that was the case however SPPA would be open to exploring options within the limits of the legislation and will be engaging further on the matter.

- 4.9 CMcG sought clarification that the advice at the moment is to hold the immediate detriment cases. IC confirmed that this was correct and whilst acknowledging that it is not ideal the risk of proceeding is too high at moment. CA then acknowledged that FRAs in England who are moving on these cases are doing so as they are not aware of the risk they may be facing due to this information not being available to them. IC reaffirmed that SPPA's current position is to hold these cases for now.

5. Next Steps

- 5.1 IC confirmed that the next SAB meeting is scheduled for 16 March 2021 and as well as further policy discussions, SPPA expects to be in a position to share provisional cost cap results and a remedy communications plan.
- 5.2 CMcG confirmed he had been nominated as a point of contact for any FAQs and enquiries members may have on the remedy. CMcG confirmed that he had already established contact with the SPPA Project comms lead. IC thanked CMcG for informing the group and agreed that the communications provided have to be clear, consistent and understandable. Further discussions can be held on how the group ensure this is the case.
- 5.3 The Chair reiterated how important it is that members are provided with the same information from all parties involved and that this information is correct. This is particularly relevant to IFAs involved in providing advice to members. The Chair noted a potential issue with the availability of appropriate, specific financial advice across the industry.
- 5.4 BB commented that it is unlikely that the Fire Service will be able to provide this level of financial advice to members. As such, he can foresee complaints arising from members in relation to insufficient advice. RC commented that a common theme from members is that when they seek advice from an IFA the IFA claims they do not have enough knowledge on pensions policy to provide this. In response, IC noted that HMT are also aware of this risk and the issue will be considered further.
- 5.4 CA stated that she would like to see information on IFAs and financial advice built in to the remedy communications strategy. This would help to build the knowledge of stakeholders so they have the ability to further assist members.

6. AOB

- 6.1 The Chair made reference to the recent announcement of a consultation on implementing an increase to the normal minimum pension age from 55 to 57. Whilst acknowledging this consultation does not apply to members of the Fire Services the Chair wished to mention the matter for awareness. An email providing details of the Pensions Schemes Act 2021 and the consultation had also been issued to SAB members on 18 February 2021.