

Scottish Firefighters' Pension Scheme Advisory Board

MINUTES

Date: 28 October 2022

Location: MS Teams

Chair: Iain Coltman (IC) (SPPA)

Attendees : John McKenzie (JMCK) (Fire Brigades Union)
Glyn Morgan (GM) (Fire Officers' Association)
George Lindsay (GL) (Scottish Fire and Rescue Service)
Colin Brown (CB) (Fire Brigades Union)
Nicola Hector (NH) (Scottish Fire and Rescue Service)

Advisers: Anne-Marie Pettie (AMP) (GAD)
Rachael Henry (RH) (GAD)

Officials: Finn Mackenzie (FM) (SPPA)
Karen Gilchrist (KG) (SPPA)
Derek Smith (DS) (SG SCD: Fire & Rescue Unit)

Observers: Elena Johnson (EJ) (Local Government Association)

Apologies : Lorna Smith (LS) (SG SCD: Fire & Rescue Unit); Claire Hey (CH) (Local Government Association), Claire Johnson (CJ) (Local Government Association), Brian Baverstock (BB) (Scottish Fire and Rescue Service), Mark Rowe (MR) (Fire Brigades Union)

Secretariat : Clare Campbell (SPPA)

1. Welcome and Introductions

1.1 The Chair welcomed everyone to the meeting and noted apologies.

2. Conflicts of Interest

2.1 No new conflicts of interest declared.

3. Previous Minutes/Actions

3.1 The minutes from the meeting on 14 June 2022 were reviewed and adopted as accurate.

3.2. Outstanding actions were reviewed and the following noted:

- **Action 76** - SAB Chair to write to counterparts in England & Wales regarding joining the proposed joint collaborative working group – **Email sent on 15 June 2022 – Close Action**
- **Action 77** - FM to contact SPPA Project Team to request access to 2015 remedy modeller for SAB members – **Access was requested and granted – Close Action**
- **Action 78** - Valuations training proposed for 14 December 2022 - SAB Secretariat to ensure this is scheduled appropriately – **It was agreed that this training would be rescheduled for early 2023 – Close Action**

- **Action 79** - SPPA to circulate brief note updating SAB members after Retained Firefighters and Whole-Time Allowance meeting is held on 28 June 2022 – **will be covered under agenda item – Close Action**
- **Action 80** - SPPA to prepare paper on Matthews Second Options Exercise for next SAB meeting – **will be covered under agenda item – Close Action**

3.3 The Chair requested that the resignation of the Minister for Community Safety on 27 October 2022 be noted. DS expected that a replacement would be appointed swiftly.

4. a) Remedy Update (including Provision Definition Documents and Modeller release)

4.1 FM provided a brief summary of Paper 2a, which updated the group on the 2015 remedy engagement sessions before inviting views on the main questions contained within the paper. These questions were regarding the principle of delaying the correction of contributions until retirement (in cases where members indicate an intention to elect for new scheme benefits) and also comments on any of the policy areas that had been summarised within the paper.

4.2 GM voiced his agreement that the engagement sessions had been working well and were valuable. He also stated support for deferring the correction of the contributions.

4.3 NH thanked FM for the paper and noted it was a helpful summary which contained a lot of information to aid understanding.

4.4 The Chair asked NH and GL if any work had been undertaken by SFRS regarding the practicalities of re-assessing ill health cases. GL confirmed he could raise this matter with colleagues in occupational health to obtain further information.

4.5 The Chair asked FM if there was a timescale in place regarding the discussions on contingent decisions. FM confirmed that contingent decisions would form part of one of the upcoming engagement sessions but there is no consensus as yet on the topic and they are awaiting direction from HMT.

4.6 The Chair reminded board members that they can contact SPPA out-with SAB meetings if they have questions regarding any of the subject matter contained in the paper or wider matters regarding remedy.

4. b) Immediate Detriment

4.7 FM provided a summary of Paper 2b, which updated the group on the progress made towards the proposal to provide interim payments to remedy those in a position of “immediate detriment” in the Firefighters’ (and Police) pension scheme prior to legislative change in October 2023. FM then invited any comments or questions.

4.8 JMcK thanked FM for the update and asked if there was a timescale in place for the payments to be made. He also enquired as to whether there had been discussion on any potential treatment of tax and interest. FM noted that while dialogue is ongoing with HMT he has been working with the SPPA project team to get the necessary processes in place so that SPPA can begin work if approval is granted. FM estimated it may take three to four months to work through these cases.

4.9 With regard to tax and interest treatment, FM noted that the interim proposal would not fully address these areas, and acknowledged that if immediate detriment casework proceeds it will

complicate tax and final rectification. FM informed the group that he had contacted HMRC for guidance on this but had not yet received an answer.

4.10 JMcK welcomed the fact there is a focus on prioritising immediate detriment but also believes that the issue of life expectancy should also be considered within these cases. The Chair noted this point.

Action: SPPA to investigate if it is possible to review the immediate detriment cases in order of severity of ill-health

4.11 GL voiced his thanks to FM for the work that had been undertaken on immediate detriment and the update provided.

5. Update on 2020 Valuation Timetable

5.1 The Chair invited RH and AMP to provide a verbal update on the 2020 valuation timetable. RH confirmed that they expect the provisional assumptions advice for the Scheme to be available in March/April 2023. The board agreed to reschedule the proposed valuation training to early 2023. AMP noted that the valuations training would require around 90 minutes to two hours to complete.

Action: SPPA to reschedule Valuations Training for board members to early 2023

6. Participation Rates

6.1 KG presented the latest Participation Rates paper which contained the figures for 2021/2022 and Quarters 1 and 2 of 2022/2023 then invited questions.

6.2 GM noted the rise in retirement numbers in Q1 of 2021/2022 and asked if reasons for these retirements had been given. GL explained that there had been an increase in members retiring prior to achieving 30 years' service during this period as a result of pension scheme changes (i.e. the change in cash commutation terms available to such members). However, SFRS believe that the number of unexpected retirements has now eased.

6.3 GM noted his concern that members may have retired before obtaining appropriate advice and guidance. GL confirmed that SFRS, in conjunction with SPPA, had made a concerted effort to ensure members were well informed and had access to relevant information.

7. Matthews Second Options Exercise

7.1 KG presented a brief paper on the Matthews Second Options Exercise and invited any comments.

7.2 GL confirmed that the exercise will be problematic for SFRS, with particular challenges around data, as file retention policies mean records will no longer exist for many of the members affected. This in turn will lead to issues surrounding how to verify claimants if there are no pay records available.

7.3 The Chair asked EJ about the progress of discussions by counterparts in England. EJ confirmed that a number of Fire authorities had been contacted for further information and this will then be passed on to GAD. EJ noted that some assumptions around pay may be required in the absence of records.

7.4 The Chair proposed the establishment of a joint working group between SPPA and SFRS on the Matthews Second Options Exercise. This would then allow proposals and further information to be shared with the SAB at a later date.

Action: SPPA and SFRS to establish joint working group on Matthews Second Choice Options Exercise

8. Retained Firefighters and Whole-Time Allowance

8.1 KG presented a brief paper on the issues regarding Retained Firefighters' and Whole-Time Allowances. It was confirmed that the paper had been put to the SPPA Project Board on 14 October and planning was underway.

9. AOB

9.1 No items were raised.

10. Dates of Future Meetings

10.1 The Chair confirmed that the remaining meeting in 2022 has been organised for 14 December 2022. A calendar invite has already been issued to board members.

10.2 The Chair notified the board that SPPA would be in touch in due course to arrange dates for the 2023 SAB meetings.

Action: SPPA to contact board members to arrange dates for 2023 SAB meetings

Summary of New Actions

Action No	Para No	Action	Owner
81	4.10	SPPA to investigate if it is possible to review the immediate detriment cases in order of severity of ill-health	SPPA
82	5.1	SPPA to reschedule Valuations Training for board members to early 2023	SPPA
83	7.4	SPPA and SFRS to establish joint working group on Matthews Second Choice Options Exercise	SPPA/SFRS
84	10.2	SPPA to contact board members to arrange dates for 2023 SAB meetings	SPPA