

Scottish Firefighters' Pension Scheme Advisory Board

MINUTES

Date: 21 November 2023

Location: MS Teams

Chair: Iain Coltman (IC) (SPPA)

Attendees: John McKenzie (JM) (Fire Brigades Union)
Colin Brown (CB) (Fire Brigades Union),
Glyn Morgan (GM) (Fire Officers' Association)
Alan Duncan (AD) (Scottish Fire and Rescue Service)
Mark Rowe (MR) (Fire Brigades Union)
Brian Baverstock (BB) (Scottish Fire and Rescue Service)

Advisers: Anne-Marie Pettie (AMP) (GAD)
Brian Allan (BA) (GAD)

Officials: Finn Mackenzie (FM) (SPPA)
Alan Wilkinson (AW) (SPPA)
Gerry McGarry (GM) (SPPA)
Karen Gilchrist (KG) (SPPA)
Derek Smith (DS) (SG SCD: Fire & Rescue Unit)

Observers: Claire Johnson (CJ) (Local Government Association)

Apologies: George Lindsay (GL) (Scottish Fire and Rescue Service)

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 13 June 2023 were reviewed and adopted as accurate.

3.2. Outstanding actions were reviewed and the following noted:

- **Action 89** - SPPA and SFRS to meet in order to discuss the 79 cases still requiring assessment in priority group one of the immediate choice prioritisation process. **Meeting arranged – Close action**
- **Action 90** - SPPA to request a copy of the English SAB consultation response and circulate to board members for their consideration. **Circulated to board members on 15/06/2023 – Close action**

- **Action 91** - SPPA to include the Firefighters Pensionable Allowances Exercise as a recurring agenda item and provide the SAB with progress updates as and when available. **Added to agenda as recurring item going forward – Close action**
- **Action 92** - GAD to issue the draft, formal report detailing the advice on assumptions for the 31 March 2020 valuation to SPPA for it to then be circulated to the Board along with the presentation slides presented at the meeting. **Issued to board members on 03/07/2023 – Close action**

4. Remedy Update

4.1 FM took the board through the Remedy Update paper which had been issued on the morning of the meeting, apologising for the short notice in sending this out.

4.2 FM confirmed that The Firefighters' Pensions (Remediable Service) (Scotland) Regulations 2023 were laid in the Scottish Parliament on 30 August 2023 and came into force on 1 October 2023. FM noted that the consultation on the draft regulations, from which the above regulations were finalised received four responses. The response to the consultation was initially intended to be published at the end of October 2023 but regrettably this has been delayed and will now be published by no later than December 2023.

4.3 FM informed the board that from 1 October 2023 SPPA commenced 'deferred choice' retirements for eligible retiring firefighters. The customer services team have begun to issue a remediable service statement (RSS) to all firefighters' who have applied to retire from that month onwards and so far 52 applications have been received, with 32 of those members now having their pension in payment. The board were informed that the system development to support the deferred choice has not yet been delivered so a contingency approach to these calculations is currently in place.

4.3 With regards to Immediate Choice, FM stated that the planning for this workstream has recently undergone a re-plan due to unavoidable system and delivery issues. FM acknowledged that any further delay to the production of RSS for these members is not ideal. However, the schedule for this has been updated with the expected commencement date now due to be January 2024 for phase one.

4.4 JM noted that the systems slippage was disappointing but understandable and enquired as to whether SPPA are confident of being able to deliver to the rescheduled timetable. FM noted that the team are confident they will be able to start work in January with the hopes that the system solution will be fully tested and implemented by April 2024.

4.5 JM asked whether there were any updates on the IQMP's capability in dealing with the medical re-assessments of priority one members of the immediate choice exercise and if SPPA could track and record these numbers. FM noted that discussions with SFRS on this are ongoing and they are currently assessing how many members require to be re-assessed. Once further information has been received SPPA will update the board on both the deferred choices made by members and the number of medical re-assessments required.

Action: SPPA to update the board on member's deferred choices and number of medical re-assessments required/IQMP's capability

4.6 BB enquired as to what information members are provided with when making their choice to ensure they are fully informed when doing so. FM confirmed that information has been added to

the RSS, a sample of which was included with his paper and the feedback from members has so far been positive. An amended request is also now sent to SFRS when a member retires which allows SPPA to glean more data from them.

4. b) Scheduling & communication of the Remedy ‘rollback’

4.7 In the absence of GL, AD asked if there was any update on the proposal to inform scheme members of the need to adjust employee contributions and as a result, that interest will be charged where payments are offset against retirement or are made by contributions over a period of 5 years. SFRS noted the need for the repayment of outstanding contributions, and the application of interest, but are concerned over the proposal to apply these in advance of scheme members being provided with an RSS informing them of the benefits that the roll back will provide them with.

4.8 FM confirmed that a meeting has been organised between SPPA and SFRS in the coming weeks to discuss this matter. AD noted this but stated SFRS had brought this forward as an agenda item to ensure the board were aware of the issue. The Chair thanked AD and confirmed that SPPA would issue a further update to the board once the meeting had taken place.

Action: SPPA to issue update to board after meeting held between SPPA/SFRS on scheduling and communication of Remedy ‘rollback’

* Due to time constraints the Chair proposed that the agenda be rearranged to discuss the Provisional 2020 Valuation Results ahead of other items. This meant moving to agenda item 8 before returning to item 5 onwards.

8. Provisional 2020 Valuation Results

8.1 The Chair invited AMP and BA to begin their presentation on the Provisional 2020 Valuation Results.

8.2 AMP apologised to the board for the cancellation of the meeting in October to discuss these results, confirming the results had been slightly delayed. AMP also confirmed that the presentation slides would be circulated to board members after the meeting.

Action: SPPA/GAD to circulate Provisional 2020 Valuation Results presentation slides to board members

8.3 The provisional results show a 5.6% increase in the employer contribution rate from 28.5% to 34.1% for the period 1 April 2024 – 31 March 2027. This figure includes the increase due to the Matthews second options exercise. The provisional results also showed no breach of the employer cost cap.

8.4 It was noted that the current member contribution yield was 13% which was a shortfall of 0.2% from the required yield of 13.2%. The Chair confirmed that SPPA would be writing to board members regarding the shortfall but asked if any board members wished to share their views. In response, the board consensus was to wait until they had received further details and correspondence from SPPA before commenting.

Action: SPPA to write to SAB regarding member contribution yield and invite board members views

8.5 At the conclusion of the presentation AMP asked if the SAB were content with the provisional 2020 valuation results. The board confirmed that they were content and thanked AMP and BA for their work and presentation.

5. Firefighters Pensionable Allowances Exercise – Update

5.1 KG provided a brief update, confirming that a project manager has been appointed by SPPA for both the Booth and Matthews projects. It was noted that meetings between SPPA and SFRS are ongoing and now that a project manager has been confirmed it is hoped that progress can be made on moving this forward.

6. “Matthews” Second Options Exercise for Retained Firefighters (The 2023 Options Exercise)

6.1 KG confirmed that the consultation on the proposed changes to The Firefighters’ Pension Scheme (Scotland) Order 2007 went live on 20 September 2023 and ran until 8 November 2023. Three responses were received and these are currently being collated and analysed.

6.2 KG stated that the initial laying date of 30 November 2023 and coming into force date of 26 January 2024 for the regulations may need to be delayed slightly.

6.3 It was confirmed that discussions between SFRS and SPPA are ongoing and have been productive. A working group is to be created and SFRS have invited colleagues from SPPA to join this, with an in person meeting hosted by SFRS organised in due course.

6.4 JM thanked KG for the update and enquired as to whether the board could be sighted on the uptake of the Matthews second options exercise when it begins. JM also requested that a timeline for both the Matthews and Booth projects be produced as this would be helpful for board members going forward.

Action: SPPA to produce timeline for Matthews and Booth projects once these have been mobilised and also undertake tracking of correspondence and responses to the Matthews second options exercise

7. Annual Weekly Earnings Revaluation

7.1 KG confirmed that a very short technical consultation on the Annual Weekly Earnings Revaluation for 2021 and 2022 ran from 6 October 2023 until 3 November 2023. The final draft amendment order is nearing completion and is due to be signed on 6 December 2023 with a coming into force date of 2 February 2024.

7.2 KG noted that SPPA system implementation for these changes is on track and should be in place to successfully update the 2021 and 2022 values.

9. AOB

9.1 None received

10. Date of Next Meeting

10.1 To be confirmed. Surveys for 2024 meeting availability will be organised in due course.

Summary of New Actions

Action No	Para No	Action	Owner
93	4.5	SPPA to update the board on member's deferred choices and number of medical re-assessments required/IQMPs capability	SPPA
94	4.8	SPPA to issue update to board after meeting held between SPPA/SFRS on scheduling and communication of Remedy 'rollback'	SPPA
95	8.2	SPPA/GAD to circulate Provisional 2020 Valuation Results presentation slides to board members	SPPA/GAD
96	8.4	SPPA to write to SAB regarding member contribution yield and invite board members views	SPPA
97	6.4	SPPA to produce timeline for Matthews and Booth projects once these have been mobilised and also undertake tracking of correspondence and responses to the Matthews second options exercise	SPPA