

Scottish Firefighters' Pension Scheme Advisory Board

MINUTES

Date: 25 March 2024

Location: MS Teams

Chair: Iain Coltman (IC) (SPPA)

Attendees: Alan Duncan (AD) (Scottish Fire and Rescue Service)
Brian Baverstock (BB) (Scottish Fire and Rescue Service)
Colin Brown CB (Fire Brigade Union)
George Lindsay (GL) (Scottish Fire and Rescue Service)
Glyn Morgan (GM) (Fire Officers' Association)
John McKenzie (JM) (Fire Brigades Union)

Advisers: Brian Allan (BA) (GAD)
Robert Fornear (RF) (GAD)

Officials: Derek Smith (DS) (SG SCD: Fire & Rescue Unit)
Gerry McGarry (GM) (SPPA) – Joined the meeting 2.11 pm
Finn Mackenzie (FM) (SPPA) - Joined the meeting 2.30 pm
Karen Gilchrist (KG) (SPPA)

Observers: Claire Johnston (Local Government Association)- Joined the meeting at 2.58 pm

Apologies: Alan Wilkinson (SPPA), Lorna Smith (LS) (SG SCD: Fire & Rescue Unit), Mark Rowe (Fire Brigade Union)

Secretariat: Meeting Recorded - Lesley Hood

1. Welcome and Introductions

1.1 The Chair welcomed everyone to the meeting, noting apologies.

2. Conflicts of Interest

2.1 No new conflicts of interest declared.

3. Previous Minutes/Actions

3.1 JM highlighted responses to the consultation have yet to be added to the SPPA website. The Chair confirmed due to Remedy a formal response has been delayed.

Action Point - Aim to publish responses by the end of April.

3.2 The minutes from the meeting on 21 November 2023 were reviewed and recorded as accurate.

3.3. Outstanding actions were reviewed and updated accordingly:

93	SPPA to update the Board on member's deferred choices and number of medical re-assessments required/IQMPs capability	SPPA	Covered in Agenda item 4 Close Action
94	SPPA to issue update to Board after meeting held between SPPA/SFRS on scheduling and communication of Remedy 'rollback'	SPPA	Also covered in Agenda item 4 Close Action
95	SPPA/GAD to circulate Provisional 2020 Valuation Results presentation slides to board members	SPPA /GAD	Issued to Board Members on 07/12/2023 - Closed
96	SPPA to write to SAB regarding member contribution yield and invite board members views	SPPA	Paper and Presentation by GAD agenda item 6 - Closed
97	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	Covered in Pensionable Allowance Update Agenda item 4 Covered in the Matthews Update Agenda item 5 Remain open

4. Firefighters Pensionable Allowances Exercise Update - Paper 3

4.1 KG provided an overview of Paper 3, highlighting limited update regarding Booth. Meetings between SFRS and SPPA continue to ensure accurate data is maintained. Updating of SPPA website is under consideration with information on Matthews uploaded. SPPA Communications Team aim to provide a similar format for Booth. No indicative timeline for the Booth retrospective element noted.

4.2 The Chair invited comments in relation to the paper. JM indicated for the next SAB meeting it would be helpful to acquire a broad timeline of those affected to discuss competing work and relevant resources.

Action Point - The Chair confirmed SPPA will discuss the project. SFRS members on the Project Team will provide an update on timescales for the next SAB Meeting.

5. Matthews Second Options Exercise for Retained Firefighters – Paper 4

5.1 KG provided an update on the Matthews Second Options Exercise. A link to Matthews information is available on the SPPA website. Information was shared with SFRS prior to going live, with feedback from administrative teams proving beneficial.

5.2 In relation to the Scottish aspect of Matthews it is important to note our timelines are different and will commence from the 18th March with an 18 month window. SPPA continue to liaise with GAD colleagues to progress the calculator. Development in relation to the Scottish tax system and key dates are underway.

5.3 SFRS SPPA will issue initial letters to members, with SFRS hopefully holding up to date address details for members who have not retired. In relation to retired members, email addresses are retained. SPPA Fire Administration Team are briefed on requirements when the calculator goes live. In addition, a named person within GAD will be noted as point of contact. Information for those undertaking the exercise will be highlighted and recorded.

5.4 KG highlighted system functionality is updated with a new data view to clearly record and identify 1st and 2nd choice options.

5.5 GL updated weekly meetings with the Project Manager take place to discuss workload and elements which will form the overall plan. Once finalised, requirements of SFRS will be presented to their Executive Management for approval.

5.6 JM highlighted from an FBU perspective, in relation to the timeline it would be beneficial to have a single holding point in terms of a contact address for members. In the longer term, helpful to have robust measures in place to access the level of evidence required regarding employment, time period and rate of pay with associated mechanisms in place.

5.7 In reply, the Chair indicated comments are noted and recommendations will be passed to the Project Manager. In addition, if there is opportunity for involvement in potential working groups this may be helpful for communication agreement of structures in place. For awareness, the Chair referred to on-going legal matters around eligibility and some provisions that are ultimately in place. In terms of timeline these require to be incorporated with consideration of risk and handling should the circumstances and scope of the exercise change. The Scheme Advisory Board will be updated with any on-going developments.

5.8 The Chair updated, legislation came into force on Monday 18th March. A couple of minor corrections are highlighted and due to be rectified over the coming months. SAB members will be notified when the consultation is due. This will not delay the scope of the exercise.

6. Employee Contribution Rate – Paper 5

6.1 RF provided SAB members with an overview of the paper in relation to member contributions and results of the 2020 valuations.

6.2 The Chair welcomed questions from SAB members. JM asked what link there is with regard to this exercise and if there is any potential outcomes to appealing the judicial review judgment around the Cost Cap Mechanism. RF confirmed in consideration there is no allowance for the outcome of that. Continuing with the scheme set up as current with all members accruing in the 2015 Scheme with no allowance for potential outcomes.

6.3 DS referred to the slide linking contributions with tax, from a general observation enquired if there was logic between linking the bands to the tax bands in Scotland. RF highlighted the issue if members receive a contribution of increase without a tax change, take home pay could be worse as they may receive a 1% increase in contributions but potentially not receive as much in salary. Therefore there is some merit to potentially attaching contributions rates.

6.4 GM expressed, going forward it may be helpful to have some form of operating in place as detailed in the slides. GM referred to the English Scheme Advisory Board discussions on income tax, where contributions are paid on the whole salary banding structure – suggesting this may be worth considering.

6.5 BA indicated in relation to Public Sector Schemes it's important to have an understanding of the interrelationship between tax and contribution systems. There is potential for members to feel caught if they move between the bandings on either or through promotion.

6.6 AD explained linking the tiers to pay awards could be beneficial allowing individuals to have an idea of what this will mean for them on a regular basis.

6.7 GL noted in terms of rank structure, important that the level of contribution rate set should not be split between the points where individuals move from the development role into a rank and competent rate of the rank. There should be recognised contribution rates for each role.

6.8 AD highlighted from a payroll and administrative perspective a more simple method is favourable.

6.9 GM indicated it would be helpful to see how the bands looked if historic pay awards were applied then look to see what the yield would be. RF highlighted if commissioned GAD could take this forward. The Chair confirmed further discussions will take place with GAD following the meeting.

6.10 The Chair updated written documentation of provisional or suggested principles could be provided to SAB members with the addition of illustrative examples detailing structure.

6.11 JM indicated a link in terms of the salary banding to the increasing rates is beneficial to both the employer managing employee expectations and wider engagement.

6.12 The Chair asked SAB members on their initial views regarding the implementation date. GM enquired if the date was delayed would we need to recoup the same amount of yield over a different period as this would result in higher rates to increase within the valuation period. DS advised any shortfall would need to be picked up by Scottish Government. The Chair referred to the paper and confirmed there is no formal instruction from HM Treasury in terms of the Scottish Firefighters Scheme. However, there is an expectation of a consistent approach across all devolved schemes.

7. Remedy Update – Papers 2(A) & 2(B)

7.1 FM provided an overview of the two papers providing a general update on implementation, data issues encountered and system development of functionality for Deferred and Immediate Choice members. The second paper provides information around authorisation status of interest payments on arrears which will impact those pensioners subject to Immediate Choice.

7.2 The Chair thanked FM for his comprehensive update, welcoming comments from SAB members.

7.3 Regarding Acting Up data, JM suggested it would be helpful if SAB members could be kept up to date until this is resolved. GL informed SFRS has undertaken a vast amount of work to identify if information can be accessed, and some aspects may require manual interrogation in respect of temporary appointments and promotions over an extended period of time. This is challenging from a practical perspective. JM suggested it may be beneficial to have a mechanism in place for scheme members who fall into this category.

Action Point – SPPA to update SAB members with any issues as they arise.

7.4 A discussion was held around the data issue on Continuous Professional Development (CPD) Pay.

Action Point - Through collaborative work between SPPA and SFRS this will be tracked and SAB members updated accordingly.

7.5 JM referred to Ill Health reassessment and Immediate Choice, enquiring if SAB members could be updated with any potential change to expected time lines. FM confirmed the timeline remains as was circulated at the previous SAB meeting. Any changes will be circulated accordingly. We currently remain within the first window of distribution from April to October.

7.6 Moving to Paper 2 (B) FM provided an overview of discussions between HM Treasury, HMRC colleagues and other Public Service Pension Schemes. Discussions centre on Tax considerations relating to correction of pensions for members in receipt of a pension and specifically on the payment of interest accrued on those years of pension benefits and lump sum top ups.

8. AOB

No items noted.

9. Dates of Future Meetings

9.1 Proposed dates have been issued by KG with SAB members asked to provide availability. Aim to schedule several meetings for the remainder of the year.

9.2 The Chair thanked the Board for their attendance.

Summary of New Actions

Action No	Para No	Action	Owner
98	3.1	Aim to publish responses to Consultation by the end of April.	SPPA
99	4.2	Firefighters Pensionable Allowances Exercise - SPPA will discuss the project and SFRS members on the Project Team will provide an update on timescales for the next SAB Meeting.	SPPA
100	7.3	Acting Up Data - SPPA to update SAB members with any identified issues as they arise.	SPPA
101	7.4	Continuous Professional Development (CPD) Pay - Through collaborative work between SPPA and SFRS this will be tracked and SAB members updated accordingly.	SPPA