

Minister for Community Safety and Legal Affairs
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Kenneth Gibson MSP
Convener
Finance Committee
The Scottish Parliament
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copied to the Convener of the Justice Committee
justice.committee@scottish.parliament.uk

_8 September 2015

Dear Kenneth,

**COMMUNITY JUSTICE (SCOTLAND) BILL
CONSIDERATION OF FINANCIAL MEMORANDUM**

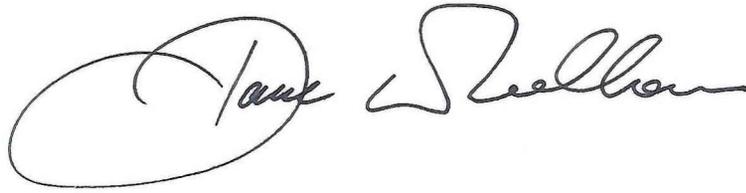
In advance of the oral evidence session concerning the Financial Memorandum for the Community Justice (Scotland) Bill, I wish to inform the Committee of the revised estimate for the Community Justice Authorities' pension fund liability. The Financial Memorandum noted that the estimate was likely to be an under-valuation and that an update would be provided to Parliament during Stage 1.

The initial estimated shortfall of £2.5 million relied on an existing 2014 triennial actuarial valuation, which was the best available information at that time. An indicative 2017 triennial actuarial projection is now available, which estimates a potential shortfall of £4.5 million. The increased estimate is largely due to a higher final contribution being required from the CJAs given that they will no longer be contributing to the pension fund.

The pension liability figures will continue to be estimates due to the uncertainty in public sector pension performance; and in CJA staffing and deferred member levels. Therefore, as the Committee will perhaps appreciate, the estimate of £4.5 million could be subject to both increase or decrease, depending on circumstances. Nevertheless, I am confident that it represents the best advice available to me at the moment. I understand that finalised figures will be available in late 2016/17.

I hope the Committee finds this updated information helpful in its deliberations. I am keen to ensure we support the work of the Committee to the best of our abilities and my officials will endeavour to provide any further details which the Committee would find helpful at the session on 9 September.

Kindest regards

A handwritten signature in black ink, appearing to read 'Paul Wheelhouse'. The signature is fluid and cursive, with a large initial 'P'.

PAUL WHEELHOUSE