

FIREFIGHTERS' PENSION COMMITTEE

NOTE OF THE 26th MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD ON 24th APRIL 2008 AT ELAND HOUSE, BRESSENDEN PLACE, LONDON

(A list of the attendees are attached in Annex A)

1. Introduction

1.1 The Chairman welcomed everyone to the meeting. He introduced John Terry of Cosla and Neil McLennan of the Scottish Government.

2. Minutes of the 25th FPC meeting

2.1 The Chairman advised members that the draft minutes which had been circulated had been revised to reflect comments submitted by Sean Starbuck of FBU.

2.2 Des Prichard of APFO said that in the absence of Ian Hayton he had one comment on the change proposed by the FBU to paragraph 4.7 of the minutes. CFOA wanted to make clear that at no stage were they considering the introduction or development of a compensation scheme in order to mitigate any effects of CLG guidance.

2.3 Andy Dark of the FBU explained that the reference in paragraph 4.7 of the minutes to CFOA suggesting the introduction of a compensation reflected the contents of paper FPC(07)14 that had been submitted by CFOA.

2.4 The minutes of the 25th FPC meeting were agreed, subject to FBU's amendments.

3. Matters arising from the 25th FPC meeting - FPC(08)1

3.1 The Chairman introduced paper FPC(08)1 - 'Matters arising from the 25th FPC meeting'.

FPS and NFPS Amendment Orders

3.2 The Chairman explained that the FPS and NFPS amendment orders for England came into effect on 29th February 2008. Northern Ireland, Wales and Scotland were currently in the process of making the equivalent amendment orders for their schemes. In regards to the protection given to average/final pensionable pay for those firefighters who retired on or after 1st October 2007, FRAs were currently recalculating pension awards in order to ensure the correct pensions were being paid.

Boards of Medical Referees (BMR)

- 3.3 The Chairman wrote to FPC members on the 16th April 2008 providing an update on the arrangements for tendering the new contract for the BMR. He explained that following the invitation to tender, no applications had been received. Enquiries suggested that the uncertainties created by the current Judicial Reviews had inhibited companies but once the issue had been resolved it was not envisaged that the reluctance would continue. CLG expected to re-tender the contract in the autumn but had extended the current contract with BUPA to cover the interim period. As part of the extension a new schedule of charges had been negotiated, this had been attached as an Annex to the letter.

Entitlement to Ill-health Retirement

- 3.4 An oral update on the work of the Ill-health Review Group would be provided under item 4 of the agenda.

4. Consolidation of the Firefighters' Pension Scheme 1992 Order - FPC(08)2

- 4.1 The Chairman explained that the Joint Committee on Statutory Instruments had said that there was a need to formally consolidate the FPS 1992 regulations. When a set of regulations, such as the FPS 1992, had been subject to numerous amendments there came a point when they required consolidating in order to provide clarity on the intention of the legislation. The Police Pension Scheme was going through a similar consolidation process. CLG would produce a more detailed document on consolidation in due course. Attached at Annex A were some of the rules that CLG had identified that needed to be tidied up or omitted. Members were invited to submit comments/views.

ACTION: FPC members to submit comments/views on the amendments that CLG had identified and/or identify other amendments that should be made as part of the consolidation exercise

- 4.2 Ivan Walker of Thompsons made reference to paragraph 4.2 of paper FPC(08)2. He asked why CLG was inviting members to identify amendments if the consolidation process did not permit any amendments of substance. The Chairman responded by saying that CLG was only inviting members to suggest/identify amendments that would be desirable in making the existing scheme provisions more workable. He emphasised that no new rules or amendments of substance would be made as part of the exercise.
- 4.3 Des Prichard highlighted APFO concerns that eligibility for membership of the NFPS did not apply to staff who were recruited direct into senior management roles and that they were only able to join the Local Government Pension Scheme (LGPS). He argued that these people also attend the fireground in an operational capacity

and were therefore exposed to the same level of risks as regular firefighters and should be eligible to join the NFPS. FOA supported this view.

- 4.4 The Chairman responded by saying that whilst eligibility to join the NFPS was not an issue for the consolidation exercise, it had already been debated during the drafting of the new scheme. In the discussion it had been agreed that membership of the NFPS should be restricted to those roles up to and including watch manager whose main duties involve front line operational firefighting on a regular basis. The eligibility criteria for pension scheme membership was ultimately determined by HM Treasury who act as guardians of public sector pensions policy and when the terms of the NFPS were negotiated CLG were successful in persuading HM Treasury that a normal pension age of 60 years would be appropriate and that it would be wrong at this stage to move to age 65, as was now the case with the LGPS and other public sector schemes. Special arrangements have been made for the Police, Firefighters and Army and extending membership of the NFPS to include employees that were not subject to the same inherent risks as regular firefighters would risk diluting the membership criteria to the point where the justification for having a separate special pension scheme for firefighters would no longer be valid. There would also be substantial costs related to extending the NFPS membership to include staff recruited directly into senior management roles.
- 4.5 Andy Dark of the FBU urged members to be cautious before supporting any proposal to extend NFPS membership to those recruited directly into senior management roles. It would affect the viability of the scheme and a possible knock on effect of such a proposal would be that HM Treasury might decide that all firefighters, including those recruited as regular firefighters, would be required to join the LGPS once they got promoted above a certain role. He said that stakeholders should be able to view and discuss any proposals before any actions were initiated, in order that the FPC members could comment and perhaps reach a consensus on the proposals including how the matters would be progressed or otherwise.
- 4.6 It was agreed that APFO would set out the justifications for any move on this for discussion in the FPC in order to determine the level of support and to reach an informed decision. Both FOA and LGA supported this.
- 4.7 Andy Dark also made reference to the ongoing retained Employment Tribunal (ET) and said that any subsequent ruling may require additional amendments to the FPS. He suggested that it may be more appropriate to wait until the outcome of the ET before consolidating the FPS regulations. In response, the Chairman explained that whilst the consolidation exercise was not urgent it was a major piece of work and would take until the end of the year to complete. He gave his assurances that priority would be given to any work on amendments that were consequential to the ET judgement.

ACTION: APFO to submit their proposal to extend eligibility to join the NFPS to include those firefighters recruited directly into senior management roles and outline the justifications

5. Update on FPS III-Health Review Group (IHRG) – oral update

- 5.1 The Chairman said that the IHRG had made good progress and a number of actions had been initiated. The next meeting was on the 7th May and CLG would hope that various strands of the work would come together and that there would be a clear way forward to reaching a resolution. The Judicial Review decision could impact on some of the work strands, however, it was unclear when a judgment would be given.
- 5.2 James Dalglish said that he expected to have a paper on ‘HR Best Practice Guidance’ for the next IHRG meeting.
- 5.3 Andy Dark said that there was concern and frustration amongst FBU representatives and members and emphasised the need to have the issue resolved at the next meeting. The FBU’s annual conference was being held on the 20th May and the Union would not want this issue to remain unresolved on 7th May.

6. Any Other Business

- 6.1 Des Prichard made reference to a member of the FPS who had given his resignation in order to take up employment in a different occupation and asked whether he would be entitled to transfer his pension benefits. The Chairman confirmed that, subject to the rules of the FPS, the member would have the option of transferring the value of his deferred benefits, Cash Equivalent Transfer Value, to another occupational pension scheme.

7. Dates of Future Meetings

- 7.1 It was agreed to cancel the meeting on 20th May 2008.

20 May 2008 **(Cancelled)**

20 August 2008

19 November 2008

26 February 2008

Communities and Local Government April 2008

Attendees

Martin Hill (Chairman)	DCLG
Andy Boorman	DCLG
Anthony Mooney (Secretary)	DCLG
Jim Preston	SPPA
Neil McLennan	Scottish Government
Bertie Kennedy	DHSSPSNI
Erika Beattie	DHSSPSNI
Julia Letton	Welsh Assembly
Fred Walker	LGA
James Dalgleish	LGA
John Terry	Cosla
Terry McGonigal	NIFRS
Andy Dark	FBU
Tam Mitchell	FBU
Ivan Walker	Thompsons (Advisor to FBU)
Des Prichard	APFO
Glyn Morgan	FOA
Craig Thomson	FOA
Dr Will Davies	ALAMA

Apologies

Jason Pollard	Welsh Assembly
Brian Wallace	Cosla
Eunice Heaney	Consultant
Ian Hayton	CFOA