

FIREFIGHTERS' PENSION COMMITTEE (FPC)

NOTE ON THE 6TH MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD AT ELAND HOUSE, BRESSENDEN PLACE, ON 12 OCTOBER 2005

1. A list of attendees is attached.
2. **Introduction**
 - 2.1 The Chairman welcomed everyone to the meeting. All attendees gave short introductions.
3. **Minutes of the 5th meeting of the FPC**
 - 3.1 Des Prichard from APFO made reference to para. 9.2 of the minutes. He asked the chairman to confirm the implementation date for the provision to permit members, who had accrued maximum service and who were not able to retire until age 55 years, to accrue additional service beyond 40 sixtieths. He also advised the FPC that APFO would support its introduction from April 2006.
 - 3.2 The Chairman confirmed that it was intended that the FPS would permit members to accrue a maximum of 35 years' pensionable service (i.e. giving a maximum of 35/45ths) from April 2013 and that there had been no decision to introduce it at an earlier date.
 - 3.3 The minutes of the 5th meeting of the FPC were agreed.
4. **Matters Arising from the 5th FPC meeting - FPC(05)14**
 - 4.1 *GAD - Actuarial Assumptions*: Members were given a copy of a report that was produced by GAD as an action point from the last FPC meeting. The Chairman advised the Committee that he was content to arrange a separate meeting to discuss actuarial assumptions for those members who were interested after reading the report.

ACTION: Members to advise ODPM if they require a separate meeting to discuss actuarial assumptions.

 - 4.2 *Civil Partnerships and Amendments to the FPS*: The Chairman advised members that the two orders were proceeding and would be put to Ministers shortly.
5. **Draft Blueprint - Parts A, B, E and G - FPC(05)15**
 - 5.1 Before discussion on the draft Blueprint started, Matt Wrack asked to make some general comments on the proposals for a new pension scheme. It was the

view of the FBU that there was no justification for a new scheme for new entrants. The proposals were detrimental to members of the Service and to the Service itself. There was wider discussion on public service pension reform but it was the view of the FBU that the Fire and Rescue Service was unique and should not be placed in the same box with other pension schemes. They were concerned that discussion was back to front. There had been no analysis of the impact on the Service of changes to the existing FPS (eg, appeal procedures, IQMP and redeployment). In addition, other changes in the Fire and Rescue Service in relation to occupational health, recruitment targets, health and safety at work, including breathing apparatus and PPE issues, have had an impact. The true cost of the scheme had not been considered by ODPM. Nor had there been any consideration of the possibility of retained and volunteer members being enabled to join the existing scheme. There had been no assessment of whether proposed changes could be achieved by the reform of the existing scheme.

- 5.2 The timetable was rushed. They had been given a pledge prior to the General Election that genuine dialogue would take place. Nationally Trade Unions were addressing issues of principles which should underlie any changes, including the need for industry specific retirement ages. The Police Service was far in advance of the Fire and Rescue Service in developing a new pension scheme and the FBU could not accept that there should be different treatment between the two groups. In their view, the proposals were based on only partial information.
- 5.3 The Government were committed to providing full information to stakeholders and information regarding cost, death and injury compensation scheme and employee contributions had not been made available. Nor had full account been taken of the views of key stakeholders and it was disappointing that there was no acknowledgement that firefighting remained a physically demanding job.
- 5.4 These comments were supported by Glyn Morgan (FOA). In addition he considered that there had been insufficient discussion of what the Service would look like in 30 years' time. He was concerned that stakeholders had not been involved at an earlier stage.
- 5.5 Des Prichard (APFO) also expressed disappointment that employee representatives had not been involved at an earlier stage. Front line firefighting would remain the core activity and the opportunity for redeployment would be available for a minority of staff. In addition, it was unreasonable to expect women to continue with compartmental firefighting at ages up to 58/59.
- 5.6 Fred Walker (LGA) said that there was a dilemma for the Employers because no-one could ever be certain what the Service would look like in 30 years' time. Costs were spiralling and there was public expectation that costs would be managed. Action had to be taken now.

- 5.7 In response to the submissions, the Chairman said that Ministers were satisfied that a new scheme was unavoidable. It had been recommended in the Independent Review and promised in the White Paper “Our Fire and Rescue Service”. The need for new arrangements had been under discussion since the early 1990s and the Government had first published proposals in 1998. It had been accepted that the existing Firefighters’ Pension Scheme was not susceptible to the changes that were now required to meet the future needs of the Fire and Rescue Service. The existing scheme could only be patched and substantial changes were not possible. The Government had sought to reflect the future needs of the Service and in particular the changes resulting from the Fire and Rescue Services Act 2004 which had placed a duty to promote fire safety on Authorities.
- 5.8 The timetable for developing the new scheme had not been rushed. Consultation had started in October 2004 and, while delays had occurred as a consequence of the General Election, there was no reason to defer implementation. Matters would be kept under review and, if it was clear that a start date of April 2006 was not achievable, this date would be put back.
- 5.9 The Government had provided information about costs and a range of statistical information was published. The data used by GAD had been discussed at the last meeting and a report circulated at the start of this meeting. Proposals for a new death and injury compensation scheme were in course of preparation and Ministers were currently discussing the proposals with colleagues before publication.
- 5.10 The Government recognised the physical nature of a firefighters’ role and believed that this had been properly recognised in the framework for the new scheme and in the draft Blueprint. Flexibilities were proposed for early retirement and these would form part of the discussion of the Blueprint. Ministers had considered carefully the comments made during the period of consultation and had published a considered response. He believed that within the terms of the framework approved by Ministers, there were a range of issues on which dialogue with stakeholders could ensure that the new scheme adequately reflected the concerns of stakeholder representatives.
- 5.11 The Chairman said that he would report the views expressed to Ministers.

6. Part A3 - Application of Scheme

- 6.1 The Chairman explained that the intention of this provision was to restrict entry to the FPS to those firefighters who were recruited to engage in operational firefighting and other emergency responses. Des Prichard (APFO) explained that there are other FRS employees that attend fires and emergencies other than firefighters, giving examples of photographers, engineers and suggested that the current wording of Rule A3 could afford them entry to the FPS. The Chairman agreed that the Blueprint would need to be checked by reference to the role map to ensure it had correctly referred to firefighting and emergency response.

ACTION: ODPM to revisit Rule A3 with the reference to the role maps.

6.2 Ivan Walker (Thompson's Solicitors) questioned the need for a co-habiting partner to be nominated by the member before being eligible for benefits. The Chairman explained that this was a requirement for all public sector pension schemes.

6.3 Ivan Walker also questioned the need for the nominated partner to have been in a committed relationship with the member for 2 years before being eligible for benefits. The Chairman was unable to give an immediate explanation but agreed to report back to the Committee at the next meeting.

ACTION: ODPM to consider the requirement for a nominated partner to be in a committed relationship with a member for a minimum of 2 years before becoming eligible for benefits and to report back to the Committee.

6.4 Andy Dark (FBU) told the Committee that it would be useful for FRAs to have the discretion to make payment of benefits in 'hard cases' where a member has failed to complete the form nominating their partner and also suggested that the wording of 'illegitimate child' be changed in order to be more sensitive.

6.5 The Chairman agreed to consider the comments and report back to the Committee at the next meeting.

ACTION: ODPM to consider the comments made by the Committee and report back at the next meeting.

7. Part A5 - Restriction on application of Scheme on health grounds

7.1 Ivan Walker questioned the justifications for members, with medical conditions that would pose a risk to the pension scheme, to be excluded from the ill-health provisions of the scheme. He suggested that it may be more appropriate for those members to be excluded from the ill-health provisions when their retirement was linked to their pre-existing medical condition.

7.2 Reference was made to the Police Pension Scheme which has implemented a 'blanket exclusion' to the ill-health provisions for members with medical conditions that pose a risk to the pension scheme. Will Davies advised the Committee that ALAMA anticipate problems with this provision.

7.3 The Chairman accepted that there were reservations about Part A5 and that the general view was that it should be removed. However, he advised that the Government may require this provision to be included. If this was the case, and if it was acceptable, the NFPS could adopt option 5 of paper FPC(05)11 which proposed exclusion of members from the ill-health benefits in respect of the medical condition that puts the scheme at risk; members would otherwise have access to normal ill-health benefits if early retirement on ill-health grounds was not related to the relevant condition.

ACTION: ODPM to consider Part A5 and to report back.

8. Part A7 - Pension Eligibility

8.1 It was agreed to reduce qualifying service from 2 years to 3 months.

ACTION: ODPM to amend the qualifying period in Rule A7 from '2 years' qualifying service' to '3 months' qualifying service'.

9. Part A8 - Reckoning of service for purpose of awards

9.1 Agreed although reservations were raised regarding the recording of service for part-time and retained members.

10. Part A9 - Normal Pension Age

10.1 The FBU formally raised their objection to increasing the normal pension age to 60.

11. Part A13 - Disablement

11.1 There were concerns regarding the definition of 'permanency'. The Chairman agreed to review A13 to include the concerns raised.

ACTION: ODPM to review Part A13.

12. Part A14 - Election to opt out of the scheme

12.1 It was agreed to substitute 'The FRA would decide what award should be made.' for 'The FRA would decide whether an award should be made (e.g. they may decide that the firefighter is eligible for a pension but that it should be forfeited).'

ACTION: ODPM to amend the Blueprint as above.

13. Part A15 - Election to rejoin the scheme

13.1 The Chairman advised members that the Committee would have to revisit Part A15 depending on what final decisions were made regarding Part A5.

14. Part B1 - Ordinary retirement

14.1 It was agreed to reduce qualifying service from 2 years to 3 months.

ACTION: ODPM to amend the qualifying period in Part B1 from '2 years' qualifying service' to '3 months' qualifying service'.

15. Part B2 - Payment of pension before normal pension age at firefighters' request.

15.1 The FBU reiterated their concerns regarding the normal pension age and deferred pension age.

16. Part B3 - Payment of pension before normal pension age at employer's request - approved early retirement.

16.1 It was explained GAD had advised that a member who retired without employer's approval prior to their normal pension age (NPA) might expect their pension to be reduced by 5% for every year below the NPA.

16.2 Andy Dark (FBU) expressed the view that approved early retirement should only be with the consent of the member and asked for this provision to be revisited at the next meeting. He said that as the provision stood it was unacceptable. If the member did not consent it should be dealt with as a redundancy. Glyn Morgan from the FOA supported this request.

16.3 The Chairman agreed to revisit Part B3 at the next meeting and invited members to submit further considerations.

ACTION: FPC members invited to submit views on Part B3 before next meeting.

17. Part B4 - Ill-Health Award

17.1 There were concerns regarding the definition of 'regular employment' in this provision. Reference was made to the police pension scheme who had defined 'regular employment' as being involved in any employment for a minimum of 30 hours per week. The Chairman agreed that this definition would require further consideration and invited members to submit a 'form of words' for consideration.

ACTION: Members to submit a 'form of words' for the definition of 'regular employment' for consideration at the next meeting.

17.2 Ivan Walker asked for the source of the '2% enhancement' calculation. The Chairman explained that this was the 'best fit' line between the ill-health enhancements provided under the current FPS and a scheme that provided no ill-health enhancements (Please refer to charts 1 and 2 attached).

17.3 It was agreed that further consideration would be given to Part B4 at the next meeting when members had had the opportunity to consider the examples circulated.

18. Any Other Business

18.1 There were no items of other business.

19. Dates of next meetings

- 23 November 2005
- 12 December 2005
- 21 December 2005
- 10 January 2006
- 15 February 2006
- 15 March 2006
- 12 April 2006

ODPM
October 2005

6th Meeting of the Firefighters' Pension Scheme

Attendees

Martin Hill(Chairman)	ODPM
Andy Boorman	ODPM
Jean Archer	ODPM
Nitin Bhayani	ODPM
Anthony Mooney (Secretary)	ODPM
Eunice Heaney	Consultant
Fred Walker	LGA
Dennis Musgrave	LGA
Jim Preston	SPPA
Karen Bradley	Scottish Executive
Bertie Kennedy	DHSSPSNI
Colin McMinn	DHSSPSNI
Ken Gibson	NIFB
Will Davies	ALAMA
Matt Wrack	FBU
Andy Dark	FBU
Paul Woolstenholmes	FBU
Ivan Walker	Thompson's Solicitors
Derek Chadbon	RFU
Ian Hayton	CFOA
Mr Glynn Morgan	FOA
Des Prichard	APFO
Chris Large	APFO

Apologises

Terry McGonigal	NIFB
Jason Pollard	Welsh Assembly