

22 September 2017

Workforce report

Purpose of Report

To update the Fire Services Management Committee on matters in relation to fire service industrial relations and pension matters

Summary

This paper is for information and briefly describes the main industrial relations and pension issues at present.

Recommendation:

Fire Services Management Committee members are asked to note the issues set out in the paper.

Actions:

Officers to action as appropriate.

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Pensions

New statutory instruments

1. Two amendments orders have recently been laid by the house on 11th September 2017.
 - 1.1. SI 2017/892 - <http://www.legislation.gov.uk/id/uksi/2017/892>
 - 1.2. This amendment order primarily gives effect to the government decision as was announced in the budget of 18 March 2015 that widows, widowers, and surviving civil partners of firefighters and police officers who died or die on duty in England and Wales could no longer lose their survivor benefits if they remarry or form a civil partnership. On 12 October 2015, the Home Secretary announced in the House of Commons that, in respect of police pensions, such changes would be applied retrospectively to marriages, remarriages and civil partnerships entered into on or after 1 April 2015. The current reforms regarding firefighters are consistent with that approach.
 - 1.3. SI 2017/888 - <http://www.legislation.gov.uk/id/uksi/2017/888>
 - 1.4. This amendment order primarily makes minor administrative changes to the 2015 Firefighters' Pension Scheme.

Firefighters Pension Scheme Governance

2. The results of The Pensions Regulator governance and administration survey showed that improvement was still needed around identifying and tracking risk and improving internal controls.
3. The LGA has increased training to Local Pension Boards and Scheme Managers to highlight that risk areas include the following:

Regulatory and Compliance	Financial	Operational
Non-compliance with TPR	Pension Fund accounting mistakes	Member Data
Failure to interpret regulations	Authority costs due to failure to apply scheme / tax rules correctly	Administrative failures
Failure to comply with disclosure	Increased employer contributions	Software failure / corruption
Failure to communicate with scheme members	Excessive charges from contractors	Workforce planning

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Scheme Advisory Board

4. The Scheme Advisory Board (SAB) have recently sought three new nominations to replace Cllr Howson, Cllr Knox and Cllr Pulk. The new nominations that will be passed to the minister for approval are:
 - 4.1. Cllr Jason Zadronzny (Independent)
 - 4.2. Fiona Twycross (Labour)
 - 4.3. Cllr Roger Phillips (Conservative)
5. The Home Office consulted the SAB for their views on how past service costs for three specific events should be treated in the valuation, with regards to how the additional costs for these events should be treated.
6. Scheme Advisory Board Summary Response:

	Employer Contribution Rate	Cost Cap
GAD v Milne	This should not be considered an employer cost.	This should not form part of the cost cap calculation, in line with HMT policy on cost cap.
Retained Modified Scheme	<p>i. The Board accept that part of the cost of the retained option should be included in the employer contribution rate.</p> <p>ii. The Board consider that the cost of service prior to 2007 should be excluded from employer costs.</p> <p>iii. The Board would recommend option a, with the caveat that there is a long term measurement of the total costs to allow treasurers to forecast for long term planning.</p>	<p>This should not form part of the cost cap calculation for deferreds and pensioners in line with HMT policy.</p> <p>This should not form part of the cost cap calculation for active service before or after 31 March 2015.</p>
Contribution Holiday Refunds	This should not be an employer cost.	This should not form part of the cost cap calculation in line with HMT policy.

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7. The SAB have been asked to comment on industry specific assumptions used in the 2016 valuation, which will form the GAD recommendations to government. This response is expected by 6 October 2017. The SAB have engaged an actuarial firm to provide an independent review in order to form their response.
8. In response to reforms to the pension tax in April 2016, which puts a responsibility on individuals to understand the pension tax rules and how it applies, the SAB have engaged Barnett Waddingham to run a series of briefing events to ensure employers can discharge their duties to make individuals aware of the tax rules. These dates have now been scheduled and will shortly be circulated to Scheme Managers and Pension Board Chairs.

Key wider workforce issues

Pay claim

9. A formal pay claim was received from the Employees' Side of the National Joint Council for Local Authority Fire and Rescue Services (NJC) just prior to the NJC meeting on 1 June.
10. Following a number of consultation meetings with UK fire and rescue service Chairs and Chief Fire Officers, and detailed joint negotiations, an offer was made in response on 1 July. Copies of the claim and offer are included in circular [EMP/5/17](#).
11. The Fire Brigades Union (FBU) subsequently consulted its membership with a recommendation that it was 'not acceptable'. The offer was rejected on 25 July and the FBU indicated that it would advise its members to no longer participate in work being undertaken through the NJC approved trials under the *broadening the role* negotiation. This would be with effect from 24 August. The 38 trials being undertaken by 36 services across the UK range from co-responding only, largely in the case of cardiac arrests, (either in specific areas or across a service) including wholetime and/or retained personnel, to trials that include much wider work ranging from slips, trips and falls assessments and winter warmth assessments to offering e.g. alcohol harm and reduction advice, and/or dementia advice providing referral and signposting opportunities as appropriate.
12. Much of the concern indicated by the union was related to the uncertainty about stages 2 and beyond of the pay offer, therefore in further joint discussions we focussed on providing reassurance of the National Employers' commitment and intent, explaining that without a firm commitment from governments on future additional funding it was impossible for the National Employers to make categorical future commitments on pay. That correspondence can be found in the various [employer](#) and [joint](#) circulars. Other concerns raised, such as some of the learning points from the independent evaluation of

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the trials, were being taken forward through an NJC joint Technical Working Group. Reference was also made by the FBU to some local difficulties. We asked for specific details in order to be able to explore such concerns. That clarification has not yet been received although we understand the FBU is seeking details from its local representatives.

13. Consequently, the FBU's National Executive decided to consult its membership again, this time with a recommendation to accept. While the consultation was taking place, work undertaken through the NJC trials would remain unaffected.
14. The consultation closed on 13 September. The position of reject remained the case and the FBU has advised its members to withdraw their support for work undertaken through the trials. They also indicated however that they wish to remain engaged in the negotiation and that is also the intention of the National Employers.
15. Rejection of the offer is clearly disappointing, as too is the FBU statement to its members about involvement in work related to the trials. However, it remains the intention of the National Employers to reach agreement on broadening the role, which covers matters wider than those in the trials including Marauding Terrorist Firearms response (MTFA) and as such it too wishes to remain engaged in the negotiation.
16. The 2.0 per cent at stage 1 of the offer was dependent upon continuation of the trials and the position in respect of MTFA remaining unaffected. At the time of writing, the National Employers is considering its position in respect of any pay award at this time.

Inclusive Fire Service Group

17. Members will recall that the Inclusive Fire Service Group was set up by the NJC to assess the current position on equality, diversity, cultural and behavioural issues within the service and to identify guidance in relation to any further strategies that could be used at local level to further encourage improvement. Interested parties such as the National Fire Chiefs Council, Fire Officers Association and Retained Firefighters Union were invited to be involved. The group is chaired by the Independent Chair of the NJC, Linda Dickens.
18. At the last meeting of the FSMC we reported that the group, having worked directly with employees, chief fire officers, equality and diversity officers and local union representatives from all FRSs, had completed the evidence gathering phase of its work. It has just released a number of [improvement strategies](#) asking that they be considered at both officer and member level, and that a response be provided indicating the strategies that will be taken forward, the timescale within which it was expected to do so, the improvement it was expected will result (and by when), and who would be taking the lead

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from senior officer and member perspectives (the assumption being it will be the chief fire officer from a senior officer perspective).

19. Whilst responses are currently being analysed it is clear that reaction to the improvement strategies has been very positive. Only one service indicated it would not provide a response. Much good work is taking place within services and there is an openness to adopting new strategies as well.