

26 January 2018

Workforce Report

Purpose

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

Members of the Fire Services Management Committee are asked to note the issues set out in the paper, and request further information is necessary.

Action

Officers to proceed as directed.

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Pensions

Scheme Advisory Board

1. New members: Cllr Ian Stephens has been welcomed to the board. The board is now operating with full membership.

LGA Firefighter Pension Scheme Bulletins

2. From July 2017, LGA publish regular [bulletins](#) on the Firefighters Pension Schemes. This includes technical information and actions for scheme managers.

Pension tax

3. The tax awareness sessions commissioned by the Scheme Advisory Board have been well attended, with representatives from 34 fire and rescue authorities and received excellent feedback.
4. The LGA have published a [note](#) to FRAs with further guidance on Voluntary Scheme Pays (VSP) and scheme managers are required to have considered whether they will allow for VSP arrangements to pay the tax charge due in certain circumstances.

Items requiring attention

5. Compensation Scheme, Part 8 Payments:
 - 5.1. The LGA published a [technical note](#) on 17 September 2017 titled 'Taxable treatment of ill-health pension paid from the compensations scheme' to provide further information to fire and rescue authorities where certain payments paid from the Firefighters Compensation Scheme had been incorrectly taxed. HMRC have confirmed these payments as paid from the compensation scheme are not subject to tax.
 - 5.2. HMRC processes can be used to correct payroll errors up to four previous tax years, but payments beyond that period are for each individual FRA to consider their position.
 - 5.3. **FSMC to consider whether it requires a detailed paper at the March meeting to consider.**
6. Tax implications of retrospective pensionable pay corrections:
 - 6.1. Fire and rescue authorities are sometimes required to retrospectively correct pensionable pay errors, where pay has incorrectly been deemed as not pensionable. This has been ongoing since 2011 with the Norman vs. Cheshire judgement and likely to continue.

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6.2. In making those retrospective corrections, this results in making additional pension and lump sum payments more than 12 months after the original date of retirement, which can have potential tax consequences.

6.3. Currently, it is not known how different FRAs approach these corrections.

6.4. **FSMC to consider whether it requires a detailed paper at the March meeting to consider.**

Pay and broadening the role negotiations

7. Both sides of the National Joint Council (NJC) remain fully committed to identifying a mutually acceptable resolution and negotiations are therefore continuing with meetings taking place to scope potential changes to roles and to explore how that could be reflected in terms of pay.
8. As members are aware, the latter will be directly affected by available funding on a sustainable basis. Both sides of the NJC therefore remain committed to joint political lobbying in that regards.
9. To inform such lobbying, and building upon the independent evaluation of the medical-related trials undertaken by the [University of Hertfordshire](#), the NJS commissioned New Economy to undertake a detailed cost benefit analysis in respect of responding to category one cardiac arrest. That work was completed in early November.
10. The All Party Fire Safety and Rescue Parliamentary Group hosted an event on the New Economy research on 15 November and a larger second event on 16 January. The second event also touched upon the wider work that has been covered by the NJC work streams (for example, environmental challenges and marauding terrorist firearms attack (MTFA)). Arrangements are being made for similar events in the devolved administrations.
11. Since November, weekly meetings of the joint secretaries have been held to take this work forward. Several of these have been attended by Cllr Nick Chard, as Chair of the Employers' Side. The work has also been supported by two HR advisers from the Employers' Side's Advisory Forum. **An oral update will be provided on the agenda to FSMC on the stage these discussions have reached.**
12. Cllr Chard (as Chair of the Employers' Side), Ian Murray (as Chair of the Employees' Side), and the NJC joint secretariat are due to meet the UK Fire Minister on 29 January to brief him on the New Economy research, the potential scope for broadening the role identified to date, and to seek his support for ensuring that it can be resourced on a sustainable basis including pay.
13. Members will recall that the Employers' Side had suggested a 1.0 per cent uplift in basis pay and continual professional development payments be applied (with effect from 1 July 2017) while negotiations continue. This was agreed and communicated to FRAs on 7 December.