

# Fire Commission

## Agenda

Friday 17 February 2012  
11.00am

Connections Conference room  
Four Shires Building  
Fire Service College  
Moreton-in-Marsh  
Gloucestershire  
GL56 0RH

**To:** Members of the Fire Commission  
**cc:** Named officers for briefing purposes

**Fire Commission**  
17 February 2012

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There will be a meeting of the **LGA Fire Commission at 11.00am on Friday 17 February 2012 in the Connections Conference room**, Fire Service College, Moreton-in-Marsh, Gloucestershire, GL56 0RH.

Upon arrival at the College, please go to the **Edinburgh bar** in the **Four Shires building** to be registered.

**Group Meetings (from 10.00am)**

Conservative Group (Belfast room)

Labour Group (Room M120)

Lib Dem Group (Room M106)

Independent Group (Room M105)

**Tea and coffee will be provided in Political Group Meetings from 9.45am.**

Lunch will be served in the Edinburgh bar following the meeting. A tour of the College facilities will take place at approximately 1.30pm.

**Apologies**

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting, so that a substitute can be arranged and catering numbers adjusted, if necessary.

**Labour:** Aicha Less: 020 7664 3263 email: [aicha.less@local.gov.uk](mailto:aicha.less@local.gov.uk)  
**Conservative:** Luke Taylor: 020 7664 3264 email: [luke.taylor@local.gov.uk](mailto:luke.taylor@local.gov.uk)  
**Liberal Democrat:** Evelyn Mark: 020 7664 3235 email: [evelyn.mark@local.gov.uk](mailto:evelyn.mark@local.gov.uk)  
**Independent:** Group Office: 020 7664 3224 email: [independent.group@local.gov.uk](mailto:independent.group@local.gov.uk)

**Attendance Sheet**

Please ensure that you sign the attendance register, which will be available in the Edinburgh bar. It is the only record of your presence at the meeting.

**Location**

A map showing the location of the Fire Service College is printed on the back cover.

**Contact**

Stephen Service (Tel: 020 7664 3194; e-mail: [stephen.service@local.gov.uk](mailto:stephen.service@local.gov.uk))

**Parking and signage**

If you are arriving by car, security staff will direct you through to a section of the car park allocated to Commission delegates. The Fire Commission meeting rooms will be signposted from here.

## LGA Fire Commission 2011/12

31.01.12

### Fire Commission

*All Fire Authorities in full or corporate membership of the Association have the right to representation and voting on this Commission in accordance with Article 10 (and Schedule 1) of the LG Group Constitution, Standing Orders and Political Conventions.*

*Additional members from fire authorities appointed as necessary by the political groups to ensure political balance as provided by Article 9.3.*

<b>Nominating Body</b>	<b>Authority</b>	<b>Member</b>	<b>Party</b>
<b>Combined Fire Authorities</b>	Avon	Peter Abraham	Con
"	Bedfordshire & Luton	Sian Timoney	Lab
"	Royal Berkshire	Iain McCracken	Con
"	Buckinghamshire and Milton Keynes	David Rowlands	Con
"	Cambridgeshire & Peterborough	Roy Pegram	Con
"	Cheshire	David Topping	Con
"	Cleveland	Robbie Payne	Lab
"	Derbyshire/Derby City	David Wilson	Con
"	Devon & Somerset	Mark Healey	Con
"	Dorset	Rebecca Knox	Con
"	Durham & Darlington	Gordon Tennant	Lab
"	East Sussex	John Livings	Con
"	Essex	Anthony Hedley	Con
"	Hampshire	Royston Smith	Con
"	Hereford & Worcester	Derek Prodger	Con
"	Humberside	John Briggs	Con
"	Kent and Medway	Bryan Cope	Con
"	Lancashire	David O'Toole	Con
"	Leicestershire	Peter Roffey DL	Con
"	North Yorkshire	John Fort	Con
"	Nottinghamshire & City of Nottingham	Darrell Pulk	Lab
"	Shropshire & Wrekin	Stuart West	Con
"	Stoke on Trent & Staffordshire	Len Bloomer	Con
"	Wiltshire & Swindon	Robert Hall	Con
<b>County Councils</b>	Cumbria	Gary Strong	Con

“	Gloucestershire	Will Windsor-Clive	Con
“	Hertfordshire	Richard Thake	Con
“	Lincolnshire	Peter Robinson	Con
“	Norfolk	Harry Humphrey	Con
“	Northamptonshire	Andre Gonzalez De Savage	Con
“	Northumberland	Anita Romer	Lib/Dem
“	Oxfordshire	Judith Heathcoat	Con
“	Suffolk	Colin Spence	Con
“	Surrey	Kay Hammond	Con
“	Warwickshire	Richard Hobbs	Con
“	West Sussex	Peter Bradbury	Con
<b>London Fire and Emergency Planning Authority</b>		Brian Coleman	Con
“		Maurice Heaster OBE	Con
“		Tony Arbour	Con
“		David Cartwright	Mayoral Appointee
“		Navin Shah	Lab
“		Colin Aherne	Lab
“		Terry Stacy	Lib/Dem
		Colin Tandy	Mayoral Appointee (Con)
<b>Metropolitan Fire &amp; Rescue Authorities</b>			
“	Greater Manchester	David Acton	Lab
“	“	Henry Cooper	Lab
“	“	John Bell	Con
“	Merseyside	Tony Newman	Lab
“	“	Jimmy Mahon	Lab
“	South Yorkshire	James Andrews	Lab
“	“	Alan Atkin	Lab
“	Tyne & Wear	Robert Heron	Lab
“	“	Nick Forbes	Lab
“	West Midlands	John Edwards	Lab
“	“	Neil Eustace	Lib/Dem
“	“	John Alden	Con
“	West Yorkshire	David Ridgway	Lib/Dem
“	“	Peter Harrand	Con
“	“	Andrea McKenna	Lab
<b>Unitary</b>	Isle of Wight	Barry Abraham	Con
	Cornwall	Lance Kennedy	Con
<b>Welsh Fire Authorities</b>	Mid & West Wales Fire	Cheryl Philpott	Lib Dem
	North Wales Fire	Sharon Frobisher	Con
	South Wales Fire	Anthony Ernest	Con

<b>Balancing Members</b>			
<b>Conservative (6)</b>			
	Essex FA	Ann Holland	
	Royal Berkshire FA	Paul Bryant	
	Luton & Bedfordshire FA	David McVicar	
	Cleveland FA	Ray Wells	
	Royal Berkshire FA	Angus Ross	
	West Yorkshire FRA	David Hall	
<b>Labour (16)</b>			
	Cheshire FA	John Joyce	
	Essex FA	Julie Young	
	Merseyside FRA	Les Byrom CBE	
	"	Dave Hanratty	
	Durham & Darlington FRA	Jane Brown	
	Cleveland FA	Jean O'Donnell	
	Kent and Medway FRA	Leslie Christie	
		TBC	
<b>Liberal Democrat (11)</b>			
	Cambs & Peterborough FA	Nigel Bell	
	Cheshire FA	Mike Biggin	
	Dorset FA	David Milsted	
	Essex FA	Tom Smith Hughes	
	Gloucestershire CC	Jeremy Hilton	
	Hampshire FA	Roger Price	
	Leicestershire FA	Michael Wyatt	
	Merseyside FRA	Eddie Clein	
	Mid & West Wales FA	Jeff Holmes	
	Royal Berkshire FA	Prue Bray	
	North Yorkshire FA	Keith Aspden	
	Suffolk CC	Dave Wood	
<b>Independent (7)</b>			
	Wiltshire & Swindon FA	Christopher Newbury	
	Surrey CC / Mole Valley DC	Chris Townsend	
	South Wales Fire / Caerphilly CC	Colin Mann	



## Agenda

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### Fire Commission

11.00, Friday 17 February 2012

Connections Conference room, Fire Service College

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### For discussion

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### For information / noting

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5.	FSMC update paper	97
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**A tour of the Fire Service College facilities will take place after the Commission meeting.**

**Date of Next Meeting:** Friday 15 June 2012, 11.00, Westminster Suite Room 8.1, Local Government House



**Item 1**

**Fire Service College**

**Purpose of report**

For discussion.

**Summary**

As DCLG move towards a full sale of the College to the private sector, attention has turned to the most suitable ownership arrangements to ensure that fire authorities' requirements are met in the future. At the Fire Services Management Committee meeting on 23 January, Members were concerned that any of the proposed options risk significant delay and therefore rejected complex ownership structures in favour of a simple and straightforward sale with a small number of guarantees.

Harriet Hepburn and Andrew Morrison from DCLG will be making a presentation to the Commission, setting out the process and timeline going forward.

**Recommendation**

Members of the Fire Commission are invited to comment on the latest position and plans for sale of the College.

**Action**

Officers to take forward as directed.

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**Phone no:** 020 7664 3266  
**E-mail:** [helen.murray@local.gov.uk](mailto:helen.murray@local.gov.uk)



**Item 1**

**Fire Service College**

**Background**

1. Members are aware of the Government's intention to sell the Fire Service College to a private sector partner in order to provide much needed investment in the College, and the continuation of and improvement to the training currently offered.

**Progress to date**

2. In order to safeguard the position of ensuring the College continues to deliver fire training, the Government propose placing a number of requirements or guarantees on the sale to ensure that:
  - 2.1 There is a commitment from the purchaser to continue to offer fire training;
  - 2.2 the FRS are involved in setting the overall direction of fire service training policy and delivery; and
  - 2.3 the site cannot be sold without FRS approval.
3. However, in order to ensure that the interests of the College and the FRS are aligned, DCLG have considered a number of different mechanisms/structures for doing this. In order to submit an options appraisal to Ministers, DCLG officials asked for the views of the FSMC on these proposals. These options included a Trust arrangement, a Limited Liability Partnership and a company limited by guarantee. All have advantages and disadvantages which DCLG assessed according to criteria around flexibility, ease of administration, tax treatment and whether these are within scope of existing legislation.
4. It is clear from looking at the detail, that each FRA would need to seek legal advice on the detail of these options and it is unlikely that all FRAs across the country would be in agreement about which option provides the best arrangement.
5. This new strand of activity and debate risks creating unnecessary and time-consuming division within the sector. Although DCLG are committed to moving ahead swiftly with a sale, the full analysis of these three options would need specialist and ongoing legal advice which would be costly, divisive, consume Members' and officers' time for a prolonged period and could lead to legal challenge.

**Item 1**

6. The FSMC concluded that given the absolute and urgent requirement to secure some serious financial investment in the College, and the need for the FRS to have some security about future training provision, rather than complex ownership arrangements they would prefer a small number of simple and straightforward guarantees within the sale agreement to provide the safeguards that Government and fire authorities require.
7. The Chief Fire Officers Association have previously stated that they consider the Fire Service College to be a key part of the Critical National Resilience infrastructure, to support operational and incident command training. CFOA also believe there is significant opportunity to work alongside other emergency services at the Moreton in Marsh site, and create a Joint Emergency Services training establishment. CFOA therefore supports the principle of a sale to the private sector. CFOA considers the proposal by DCLG to offer a 10% share to the fire and rescue service brings some inherent difficulties, particularly since the details remain unclear. Like the LGA, CFOA believe that it is important to build a number of safeguards into the contract of sale which from their perspective should include an assurance that CFOA have a core role to play in all aspects of the development of training.

**Next steps**

8. We understand that CLG will move towards a full sale once Cabinet Committee clearance has been secured. They are currently continuing with preparations for a sale, including working with environmental experts and other consultants and expect to make a public statement towards the end of this month. An Information Memorandum will be issued to the market in April (before local election purdah) and depending on negotiations, could see completion of the sale in September, although realistically this might be anytime up to March 2013.

## **National Framework Consultation Response**

### **Purpose of report**

For discussion and direction.

### **Summary**

This paper sets out background information and a draft response to the consultation on the new National Framework and strategic governance arrangements for national resilience.

### **Recommendation**

Members are asked to comment on the draft response to the consultation on the new National Framework and strategic governance arrangements for national resilience set out in paragraph 10.

### **Action**

Officers to take forward Members' recommendations.

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**Item 2**

## **National Framework Consultation Response**

### **Background**

1. The Department for Communities and Local Government (DCLG) published its consultation on the Fire and Rescue Service National Framework for England in December 2011 (see **Appendix A**). The Framework sets out the Government's priorities and objectives for fire and rescue authorities in England. The Framework is produced under section 21 of the Fire and Rescue Services Act 2004.
2. FSMC considered the proposed new National Framework at its meeting on 23 January 2012. The issues raised by FSMC form the draft response set out in paragraph 10 below.
3. The Framework is set out under three broad headings: Safer communities; Accountable to communities; and Assurance.
4. The Government's priorities for fire authorities, as set out in the Framework, are to:
  - 4.1 identify and assess the full range of fire and rescue related risks their areas face, make provision for prevention and protection activities and respond to incidents appropriately;
  - 4.2 work in partnership with their communities and a wide range of partners locally and nationally to deliver their service; and
  - 4.3 be accountable to communities for the service they provide.
5. DCLG require consultation responses by 19 March 2012.
6. Separately, the Department for Communities and Local Government and the Chief Fire Officers Association have also written to all fire authorities seeking comments on proposals for strategic governance arrangements for fire and rescue national resilience (see **Appendix B**). These proposals need to be considered in conjunction with the proposed National Framework. DCLG have asked for comments on the proposals for national resilience strategic governance arrangements by 16 March 2012.

**Item 2**

7. In the foreword to the National Framework, Bob Neill MP makes clear that the Framework is intended to reflect the localist agenda. He states that “the best thing central government can do to improve the services provided by fire and rescue authorities and the professionals they employ is not to micro manage from the centre, but to provide an overall strategic direction and support, to empower and encourage them but not to interfere in the way in which they serve their communities”. The Fire Minister is also clear that “ultimately, it is to local communities, not central government, that fire and rescue authorities are accountable”. In addition Bob Neil MP reiterates government’s overarching responsibility for resilience.
8. These principles broadly reflect the views of fire authorities and local government more widely, and much of the now revised text reflects comments from Members made at the Fire Commission meeting on 14 October. The test of the framework is the extent to which it delivers these principles.
9. The consultation document asks four questions:
  - 9.1 **Question 1:** Is the content of each chapter clear, specific and proportionate?
  - 9.2 **Question 2:** Does the draft National Framework set clear and appropriate expectations of fire and rescue authorities? If not, how could it be improved?
  - 9.3 **Question 3:** Are the respective roles of fire and rescue authorities and the Government set out clearly? If not, how could they be improved or made clearer?
  - 9.4 **Question 4:** Do the requirements for fire and rescue authorities on scrutiny, access to comparable performance data and assurance go too far or not far enough?

**Draft consultation response**

10. The following paragraphs set out the key points proposed for inclusion in the consultation response. Rather than answering the four consultation questions directly the proposed response focuses in on the key issues raised by FSMC.

**Item 2**

- 10.1 The approach to the development of the new Framework by DCLG is welcomed and the LGA's FSMC is pleased with the opportunity it has had to contribute to and influence the current draft.
- 10.2 We support the comments made by Bob Neill MP in the foreword to the draft and we are pleased that in general the Framework reflects the new terms of the relationship between local and central government.
- 10.3 The Government's strong statement on its own responsibility for national resilience is also welcome.
- 10.4 However, we think that there are a number of issues which need clarification and or amendment.

***Resilience and risk***

- 10.5 Fire authorities are very comfortable with the requirements of collaboration and intra and inter operability. However there is a concern in the sector that the basis for the risk analysis is drawn very broadly, particularly as it relates to risks outside an authority's geographic borders (paragraph 1.3 in the consultation document). Greater clarity is required on the expected scope of the risk assessment. The assessment of risk should be based on all *reasonable* fire authority risks.

***Strategic governance arrangements***

- 10.6 The supplementary letter from DCLG and CFOA sets out a proposal for the new strategic governance arrangements for national resilience. The governance arrangements are a very significant issue and should be incorporated into the National Framework document, and consultation, rather than being the subject of a separate process. On that basis we are commenting on the strategic governance arrangements as part of this consultation response.
- 10.7 We recognise the need for a strategic body to oversee national resilience issues. The current National Resilience Forum does excellent work, but it does not perform a strategic role. However, in establishing a strategic body it is essential that it has formal membership (rather than visitation rights) from across Whitehall, so that resilience can be considered at a strategic level across all category 1 and 2 responders.

**Item 2**

- 10.8 It is very important that the strategic governance body has elected member involvement and we would like to see greater representation from FSMC.

***Scrutiny***

- 10.9 Fire authorities, and more generally local government, has been and is open to scrutiny. There is no single model of scrutiny and so it is to be welcomed that the proposed National Framework is not prescriptive on this matter. Each fire authority comes to its own arrangement on scrutiny and, as the new National Framework implies, it for local communities to judge the appropriateness of those arrangements. However, local government is not complacent on this matter and the LGA is preparing a series of case studies for publication at this year's fire conference that will aid fire authorities in examining their own scrutiny practices.

***Improvement support***

- 10.10 There appears to be a fundamental misunderstanding of the concept of improvement support within the proposed new National Framework. Peer supported improvement programmes, such as the LGA's well respected peer review and challenge programmes, are primarily forward looking. They are an aid to unlocking future potential rather than an audit process or a form of intervention (see paragraph 4.3 of the proposed new National Framework). The peer review process has always been voluntary and will remain so. The LGA has always encouraged councils and fire authorities to publish the peer reports, but this has been a decision for individual authorities. Paragraph 2.9 of the proposed new National Framework should be amended so that the requirement to publish peer reviews and self-assessments is removed.

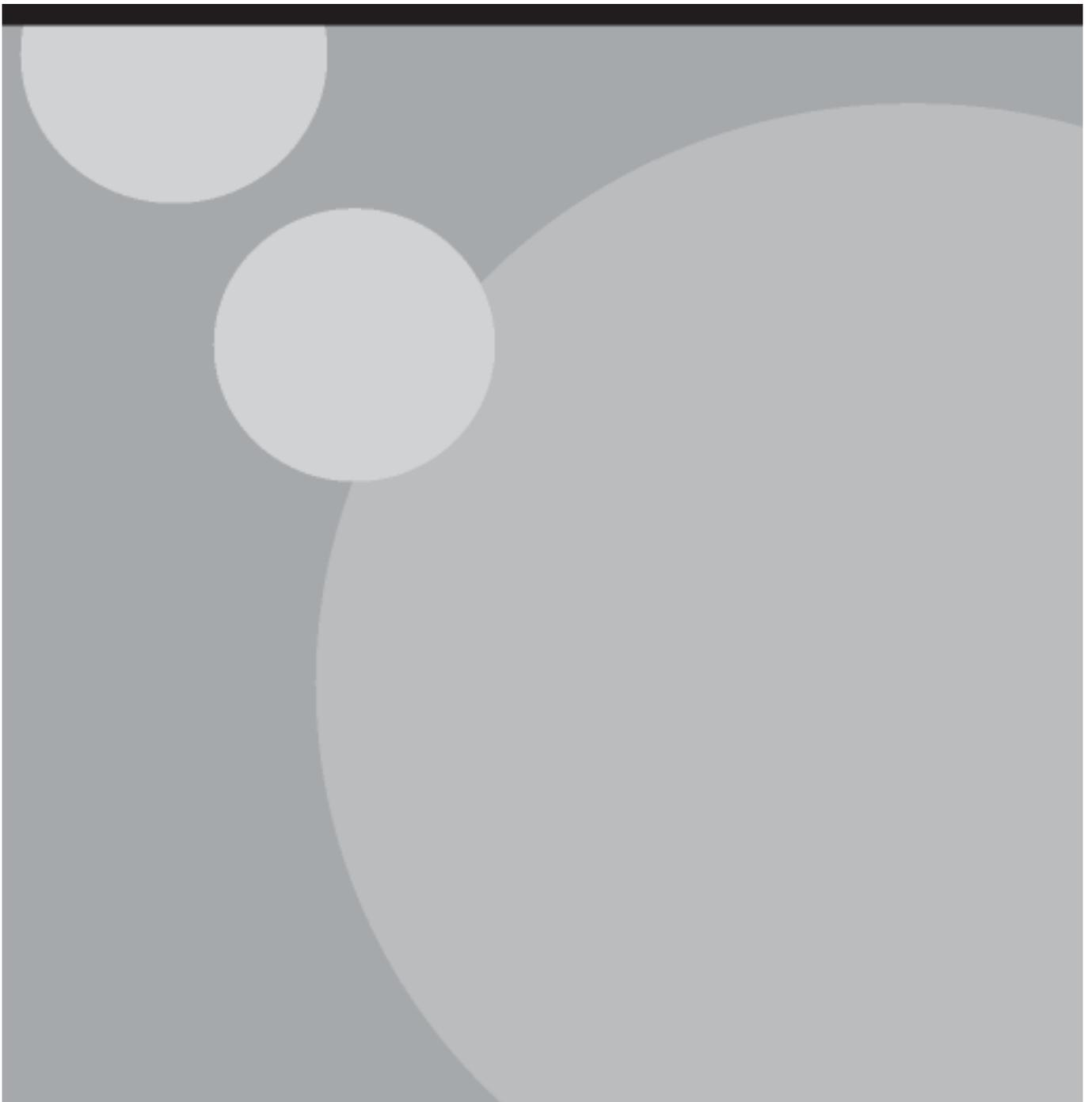
***Annual statement of assurance***

- 10.11 The requirement for an annual statement of assurance (see paragraph 3.2 of the proposed new National Framework) needs further clarification. There could be merit in this proposal if it means a consolidation of existing reporting requirements and a reduction in the burden of reporting. However, if the requirement is for an additional publication over and above existing reports such as annual financial reports then this must be seen as duplicative and unnecessary. We ask that DCLG clarify its expectation about the annual assurance statement in advance of any decisions on this proposed requirement.



# Fire and Rescue National Framework for England

## Consultation



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# Ministerial foreword

Local fire and rescue authorities play a central role in keeping our communities safe and the public rightly holds our firefighters in high esteem.

The coroner's report into the 7 July 2005 bombings in London, published earlier this year, praised the 'extraordinary courage, composure and compassion' of the fire and rescue service crews and all responders who had to deal with the terrible events unfolding that day.

But firefighters are not only there to come to our rescue when fires or other emergencies occur, they also work to stop fires starting in the first place. The prevention activities developed by fire and rescue authorities have helped halve the number of deaths from accidental fires in our homes since the late 1980s.

Across the country, fire and rescue authorities have become involved in a range of community activities, from home fire safety visits to the elderly and vulnerable to running schemes that provide important role models for young people, offering them the inspiration and respect to fulfil their potential and contribute to a stronger society: all based on local assessments of risk and the most effective action that can be taken to mitigate them. Also, through their work with businesses fire and rescue authorities can minimise the impact of fire on the economy and on jobs.

More recently, we have again seen the dedication of our firefighters who, in the face of shameful criminal behaviour by rioters, battled to put out fires, whilst at times finding themselves under attack. The professionalism of fire crews during the riots was outstanding and inspirational.

The best thing central government can do to improve the services provided by fire and rescue authorities and the professionals they employ is not to micro manage from the centre, but to provide an overall strategic direction and support, to empower and encourage them but not to interfere in the way in which they serve their communities. Through provisions in the Localism Act, fire and rescue authorities will have even more freedom and flexibility to take responsibility and deliver innovative services specific to the communities they serve.

Fire and rescue authorities are free to configure their services in a way that makes sense to them locally. This includes working collectively with other fire and rescue authorities and collaboratively with a wide range of other organisations to improve public safety and cost effectiveness.

Ultimately, it is to local communities, not central government, that fire and rescue authorities are accountable.

Occasionally, however, we may be faced with incidents of such scale or complexity that all available resources could be overwhelmed, even if pooled or reconfigured. Government will retain over-arching responsibility for ensuring we are resilient as a nation to such risks but this must be based on and drawn from local capability, expertise, knowledge and leadership.

This draft Framework sets out how the Government will work in partnership with fire and rescue authorities and the wider community to make our communities safer. I look forward to receiving comments on it and to working with fire and rescue authorities and other organisations to make our communities even safer.

A handwritten signature in black ink, appearing to read 'Bob Neill', with a large, stylized initial 'B' and a long, sweeping tail.

**Bob Neill MP**  
**Minister for the Fire and Rescue Service**

# Consultation questions

This consultation gives fire and rescue authorities, members of the fire and rescue services, professional and representative bodies, industry, charities, and the general public an opportunity to help shape this draft Fire and Rescue National Framework.

Consultees are invited to respond in particular to the following questions.

## **Question 1**

**Is the content of each chapter clear, specific and proportionate?**

## **Question 2**

**Does the draft National Framework set clear and appropriate expectations of fire and rescue authorities? If not, how could it be improved?**

## **Question 3**

**Are the respective roles of fire and rescue authorities and the Government set out clearly? If not, how could they be improved or made clearer?**

## **Question 4**

**Do the requirements for fire and rescue authorities on scrutiny, access to comparable performance data and assurance go too far or not far enough?**

Responses are required by **19 March 2012** and should be sent to:

[firenationalframework@communities.gsi.gov.uk](mailto:firenationalframework@communities.gsi.gov.uk)

# Introduction

1. The Government has a responsibility to ensure that the public is adequately protected. For fires and other emergencies it does this by providing significant financial resources, giving authorities the power to raise additional local funding, and maintaining a statutory framework within which local fire and rescue authorities operate.
2. This document – the draft Fire and Rescue National Framework - sets out the Government’s priorities and objectives for fire and rescue authorities in England<sup>1</sup>. The Framework sets out high level expectations. It does not prescribe operational matters. These are best determined locally by fire and rescue authorities, in consultation with their communities. The Framework builds on existing notable practice shown by fire and rescue authorities across the full range of their functions.
3. **The priorities in this Framework are for fire and rescue authorities to:**
  - **identify and assess the full range of fire and rescue related risks their areas face, make provision for prevention and protection activities and respond to incidents appropriately**
  - **work in partnership with their communities and a wide range of partners locally and nationally to deliver their service; and**
  - **be accountable to communities for the service they provide.**
4. Fire and rescue authorities need to assess all fire and rescue related risks that could affect their communities (from local fires to terrorist attacks) and put in place arrangements to mitigate these risks, either through adjusting existing provision, more effective collaboration and partnership working or building new capability. They need to deliver prevention and protection activities and be ready to respond to incidents within their areas and across the country to keep communities safe.
5. Fire and rescue authorities need to plan for and occasionally respond to incidents of such scale and/or complexity that local resources may be overwhelmed even when taking into account mutual aid agreements, pooling and reconfiguration of resources and collective action. This Framework sets clear roles and responsibilities to manage such risks.
6. The Government retains strategic responsibility for national resilience. In meeting this responsibility, it relies on the leadership role of fire and rescue authorities and recognises that national resilience is best built on the basis of local professional expertise and understanding of risk.

7. Fire and rescue authorities need to have strong partnership arrangements in place so that they are able to deliver a service that meets their statutory duties and the requirements set out in this Framework.
8. In demonstrating their accountability to communities for the service they provide, fire and rescue authorities need to:
  - be transparent and accountable to their communities for their decisions and actions, and to provide the opportunity for communities to help to plan their local service through effective consultation and involvement
  - have scrutiny arrangements in place that reflect the high standard communities expect for an important public safety service; and
  - provide assurance to their communities and to government, on financial, governance and operational matters and on national resilience capability.

# Chapter 1

## Safer communities

- 1.1 Fire and rescue authorities need to identify and assess all fire and rescue related risks their communities may face. To keep their communities safe, authorities need to deliver effective prevention and protection activities and to plan for and respond to incidents within their areas and in other areas as reflected in their integrated risk management plans<sup>2</sup>. Resilience is secured through a combination of the activities of fire and rescue authorities, other emergency services and government.
- 1.2 Each fire and rescue authority's integrated risk management plan provides an opportunity to demonstrate how they will discharge their responsibilities, in a way that is open and transparent to its community and others with an interest.

### Identify and assess

- 1.3 **Each fire and rescue authority must produce an integrated risk management plan that identifies and assesses all fire and rescue related risks that could affect their communities, including those of a cross-border, multi-authority and/or national nature. The Plan must have regard to the Community Risk Registers produced by Local Resilience Forums and any other local risk analyses as appropriate<sup>3</sup>.**
- 1.4 The Government will monitor the risks that the United Kingdom could face through the National Risk Assessment process, led by the Cabinet Office, and through other relevant risk assessment and horizon-scanning processes<sup>4</sup>. The Government provides guidance to Local Resilience Forums on how to interpret the likelihood and impact of these risks for their local area. This ensures there is a fully integrated risk assessment process between the Government and Local Resilience Forums; fire and rescue authorities are key members of such forums.
- 1.5 The Government will also define the consequences of those risks and set a benchmark of generic capability needed to ensure the United Kingdom can both respond to and recover from a range of potential emergencies. The Government does this through the National Resilience Planning Assumptions, led by the Cabinet Office<sup>5</sup>.

## Prevent and protect

- 1.6 **Fire and rescue authorities must work with communities to identify and protect them from risk and to prevent incidents from occurring.**
- 1.7 **Fire and rescue authorities' integrated risk management plan must:**
- **demonstrate how prevention, protection and response activities will best be used to mitigate the impact of risk on communities, through authorities working either individually or collectively, in a cost effective way; and**
  - **set out their management strategy and risk based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the current Statutory Code of Compliance for Regulators and Enforcement Concordat.**

## Respond

- 1.8 **Fire and rescue authorities must make provision to respond to incidents such as fires, road traffic accidents and emergencies within their area and in other areas in line with their mutual aid agreements and reflect this in their integrated risk management plans<sup>6</sup>.**
- 1.9 Fire and rescue authorities are required to enter into reinforcement schemes, or mutual aid agreements, with other fire and rescue authorities for securing mutual assistance, so far as practicable. These are important tools for fire and rescue authorities to be prepared to respond to incidents.
- 1.10 It is for fire and rescue authorities to consider and identify areas where collaborative working could improve service delivery, achieve efficiencies and ensure an effective response to incidents.
- 1.11 **Fire and rescue authorities must have effective business continuity arrangements in place to meet the full range of service delivery risks.** Business continuity plans should not be developed on the basis of Armed Forces assistance being available. Fire and rescue authorities should ensure that arrangements are in place for heightening public awareness of safety issues during periods of emergency cover<sup>7</sup>.
- 1.12 **Fire and rescue authorities must collaborate with other fire and rescue authorities to deliver intraoperability.**

- 1.13 Intraoperability between fire and rescue authorities includes, but is not limited to:
- common communications systems, control rooms and equipment
  - common command, control and co-ordination arrangements
  - effective information, intelligence and data sharing
  - common operational procedures, guidance and terminology
  - compatible training and exercising (both individually and collectively); and
  - cross border working with other English fire and rescue authorities and those in the devolved administrations.
- 1.14 **Fire and rescue authorities must collaborate with other fire and rescue authorities, other emergency services, wider Category 1 and 2 responders and Local Resilience Forums to ensure interoperability<sup>8</sup>.**
- 1.15 Interoperability between fire and rescue authorities and other responders includes, but is not limited to:
- compatible communications systems, control rooms and equipment, as appropriate
  - compatible command, control and co-ordination arrangements
  - effective inter-agency working and liaison and, where appropriate, information, intelligence and data sharing
  - shared understanding of respective operational procedures, guidance and terminology
  - robust multi-agency plans for managing risks identified in the National Risk Assessment and Community Risk Registers
  - multi-agency training and exercising; and
  - cross border working with other responders in England and the devolved administrations.
- 1.16 The Government has committed to work at a national level and with the devolved administrations to improve the ability of the emergency services to work together during emergencies<sup>9</sup>.
- 1.17 In addition, during emergencies, the Department for Communities and Local Government will work with other government departments, fire partner organisations and the devolved administrations to co-ordinate the

deployment arrangements for specialist fire and rescue assets as set out in the National Co-ordination and Advisory Framework<sup>10</sup>.

## Resilience

- 1.18 In delivering the requirements set out above, fire and rescue authorities need to have the necessary capability in place to manage the majority of risks that may face their area, either individually or collectively through collaborative arrangements with other fire and rescue authorities and responders.
- 1.19 For the purposes of this document, national resilience in the context of fire and rescue authorities is defined as the capacity and capability of fire and rescue authorities to work together and with other Category 1 and 2 responders to deliver a sustained, effective response to major incidents, emergencies and disruptive challenges, such as (but not limited to) those identified in the National Risk Assessment. It refers to risks that need to be planned for on a strategic, national basis because their impacts and consequences would be of such scale and/or complexity that local resources would be overwhelmed, even when taking into account mutual aid arrangements, pooling and reconfiguration of resources and collective action.
- 1.20 To enhance resilience to such risks, the Government has already committed significant financial resources to build specialist capability, for example: additional, specialist urban search and rescue capability; high volume pumps; mass decontamination equipment; detection, identification and monitoring equipment for chemical, biological and nuclear incidents; and, additional command and control capability. The Government continues to fund these existing national resilience capabilities.
- 1.21 In order to ensure continued resilience, fire and rescue authorities and the Government need to work in partnership to agree whether and/or how potential gaps in capability may be met.

## Collective engagement

- 1.22 **Fire and rescue authorities must engage with agreed strategic governance arrangements in order to support discussions and decision making in relation to national resilience.**
- 1.23 The Department for Communities and Local Government will ensure that appropriate, agreed strategic governance arrangements are in place to enable fire and rescue authorities to collectively engage with the Government on national resilience issues<sup>11</sup>.

## Gap analysis

- 1.24 **Fire and rescue authorities' risk assessments must include an analysis of any gaps between their existing capability and that needed to ensure national resilience (as defined above).**
- 1.25 Fire and rescue authorities are required to assess the risk of emergencies occurring and use this to inform contingency planning. To do this effectively, fire and rescue authorities are expected to assess their existing capability and identify any gaps as part of the integrated risk management planning process. This gap analysis needs to be conducted by fire and rescue authorities individually and collectively to obtain an overall picture of their ability to meet the full range of risks in their areas.
- 1.26 **As part of their analysis, fire and rescue authorities must highlight to the Department for Communities and Local Government, through agreed strategic governance arrangements, any capability gaps that they believe cannot be met even when taking into account mutual aid arrangements, pooling and reconfiguration of resources and collective action.**
- 1.27 The Department for Communities and Local Government, in liaison with other government departments and the devolved administrations, will support fire and rescue authorities in considering and defining the gap between existing capability and the capability required to ensure national resilience.

## Capability building

- 1.28 **Fire and rescue authorities must work collectively, through agreed strategic governance arrangements, with the Department for Communities and Local Government to agree whether and/or how to address any capability gap, identified through the gap analysis.**
- 1.29 Where it is agreed that there is a gap, capability building will take into account the full range of options available and will be subject to the principles of proportionality. If necessary, this will involve careful consideration of the case for funding new national resilience capabilities, in line with the new burdens doctrine<sup>12</sup>.
- 1.30 Where the Government commissions provision from fire and rescue authorities to deliver the agreed capability, fire and rescue authorities will need to work together collectively to procure, maintain and manage the new capability.
- 1.31 Final decisions on whether new capability is required will be for Ministers to take, informed by recommendations made in accordance with agreed strategic governance arrangements.

## Working in partnership

- 1.32 **In order to meet the requirements of this Framework, fire and rescue authorities must work in partnership with their communities and a wide range of partners locally and nationally.**
- 1.33 Strong partnership arrangements by fire and rescue authorities with communities and local groups will deliver better prevention and protection activities, while close collaboration with other Category 1 and 2 responders is essential to enable an effective response to incidents.

## Chapter 2

# Accountable to communities

- 2.1 Fire and rescue authorities are accountable to their communities for their actions and decision making. They need to have transparent processes in place to deliver this and engage with their communities to provide them with the opportunity to influence their local service. Local accountability is a vital check on the services provided by fire and rescue authorities.

## Communities planning their local fire and rescue service

- 2.2 The integrated risk management planning process is an opportunity for fire and rescue authorities to have an ongoing conversation with communities and to inform them through the provision of up-to-date, accessible data on risk. Through this transparent approach communities can better influence local plans and how their authority meets risks both within their area and as part of mutual aid agreements.

- 2.3 **Fire and rescue authorities' integrated risk management plans must:**

- **be easily accessible and publicly available**
- **reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies, and partners**
- **cover at least a three-year timespan and be reviewed and revised as often as it is necessary to ensure that fire and rescue authorities are able to deliver the requirements set out in this Framework; and**
- **reflect up to date risk analyses and the evaluation of service delivery outcomes.**

## Scrutiny arrangements transparent to communities

- 2.4 **The fire and rescue authority must hold their Chief Fire Officer/Chief Executive to account for the delivery of the fire and rescue service.**
- 2.5 **Fire and rescue authorities must have arrangements in place to ensure that their decisions are open to scrutiny.**
- 2.6 Opening up decision making to challenge enhances local governance and accountability. Fire and rescue authorities need to satisfy themselves that the arrangements they put in place provide the level of scrutiny their communities expect. Many authorities already have a number of

processes in place for scrutiny. Some allow for the separation of powers within the authority to allow members to have independent oversight. Processes used in the delivery of some local services include inviting members of the upper tier authorities in the areas in which they operate to sit on a scrutiny panel; or, by inviting other locally elected members to sit on a scrutiny panel.

## Transparent data enables communities to hold service providers to account

- 2.7 To hold fire and rescue authorities to account, communities need to be able to compare the performance of their fire and rescue authority with others. Both the Government and fire and rescue authorities need to have an open approach towards data and information to provide transparency for communities.
- 2.8 **Fire and rescue authorities must make their communities aware of how they can access comparable data and information on their performance.**
- 2.9 Meeting this requirement includes, but is not limited to:
- meeting the current code of recommended practice for local authorities on data transparency
  - publishing pay policy statements (a duty in the Localism Act)
  - raising awareness of sources of comparable data and how to access these e.g. linking to government websites and data returns to the Chartered Institute of Public Finance and Accountancy
  - linking to: tools provided by organisations such as the Local Government Group and the Chief Fire Officers' Association; and, best practice guidance
  - acting in accordance with the Freedom Of Information Act and publication schemes set by the Information Commissioner
  - publishing any peer reviews, self assessments; and
  - publishing any other locally held data that fire and rescue authorities feel will aid transparency to their communities.
- 2.10 The Government is committed to publishing all the data it holds within the bounds of data protection and security, for example by publishing statistics on the internet and by making large data files available.

## Chapter 3

# Assurance

- 3.1 Given the public safety functions provided by fire and rescue authorities and the nature of the risks, robust mechanisms should be in place to provide independent assurance to communities and to the Government. Chapter 2 details important measures that will ensure that fire and rescue authorities provide local scrutiny arrangements and access to a range of information to help communities influence and be assured of the robustness of local delivery arrangements. This chapter details mechanisms that are in addition to these accountability, scrutiny and transparency requirements: they are designed to supplement, not duplicate, the wider accountability regimes that cover the whole of local government.

### Assurance

- 3.2 **Fire and rescue authorities must provide assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in this Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance.**
- 3.3 The Government will work with fire and rescue authorities to determine the nature of the assurance statements, but would expect the political and professional leadership to lead on ensuring an element of independent scrutiny of the statement. The contents of the statement will be defined with communities and the Government in mind. It is likely that the contents of these assurance statements already exist in the information held or published by fire and rescue authorities, for example as part of their annual report or service plan.

### National resilience assurance

- 3.4 **In addition to the assurance arrangements detailed above, fire and rescue authorities must work collectively to provide assurance to government, through agreed strategic governance arrangements, that:**
- **risks are assessed, plans are in place and any gaps between existing capability and that needed to ensure national resilience are identified**

- **existing specialist national resilience capabilities are fit-for-purpose and resilient; and**
- **any new capabilities that fire and rescue authorities are commissioned to deliver by government are procured, maintained and managed in the most cost-effective manner that delivers value for money whilst ensuring capabilities are fit-for-purpose and resilient.**

3.5 The Government will work with fire and rescue authorities to ensure that appropriate assurance mechanisms are in place, which are transparent and robust, with an appropriate degree of independence.

## Chapter 4

# Legislative context, timescale, scope

## Legislation

- 4.1 Section 21 of the Fire and Rescue Services Act 2004 provides the statutory authority for the National Framework and requires:
- the Secretary of State to prepare a National Framework for fire and rescue authorities
  - the Secretary of State to consult with representatives of fire and rescue authorities and their employees before making significant changes to the Framework
  - the Secretary of State to bring the Framework and any significant revisions to it, into effect by a statutory instrument subject to annulment in either of the Houses of Parliament; and
  - fire and rescue authorities to have regard to the Framework in carrying out their functions.
- 4.2 The role of the National Framework is not to repeat all the duties placed on fire and rescue authorities in connection with the discharge of their functions or more generally as a public service provider and employer. These are day to day functions of which authorities are aware e.g. fire and rescue authorities need to be aware of the importance of complying with the requirements of the general and specific duties set out in the Equality Act 2010 and the Equality Act 2010 (Specific Duties) Regulations 2011 in all of their functions, both as employer and service provider, and the various health and safety legislation and regulations.
- 4.3 The expectation of the Government is that fire and rescue authorities and the political and professional leadership will put in place processes to provide support and lead improvement in the event of potential service failure, or potential failure to act in accordance with the Framework. In this context, improvement is delivered through peer led responses and effective partnership working.
- 4.4 The Government intends to use its intervention powers only as a last resort, for example where the risk of failure is deemed so serious as to require immediate and directive government action to resolve<sup>13</sup>. Any use of intervention powers will be in accordance with the Local Government Intervention Protocol<sup>14</sup>.
- 4.5 Ministers may also ask the Chief Fire and Rescue Adviser as a designated Her Majesty's Inspector under the Fire and Rescue Services Act 2004, to lead an investigation into instances of serious concerns regarding

operational performance. Ministers may also seek additional and separate assurance from the Chief Fire and Rescue Adviser, or other advisers, in respect of specific issues.

- 4.6 The Secretary of State has the power by order to confer on a fire and rescue authority functions relating to emergencies<sup>15</sup>. Also, in the event of a particular fire or emergency, the Secretary of State has the power to direct a fire and rescue authority to act<sup>16</sup>. These may include actions outside of the authority's area.
- 4.7 The Fire and Rescue Services Act 2004 and the Fire and Rescue Service (Emergencies)(England) Order 2007 provide fire and rescue authorities with mandatory functions for fire and road traffic accidents and in connection with key types of emergencies (specifically chemical, biological, radiological or nuclear emergencies and urban search and rescue emergencies). In addition, as Category 1 responders under the Civil Contingencies Act 2004, fire and rescue authorities are subject to the full set of civil protection duties, including assessing the risk of emergencies occurring (ranging from widespread flooding to terrorist attacks) and using this to inform contingency planning, and ensuring that emergency plans and business continuity management arrangements are in place<sup>17</sup>. Also, the Civil Contingencies Act requires fire and rescue authorities to co-operate with other Category 1 and 2 responders and other organisations engaged in response activities in the same local resilience area. Category 1 responders are also encouraged to co-operate outside the Local Resilience Forum framework<sup>18</sup>.
- 4.8 Fire and rescue authorities have a duty to exercise their functions in a way that prevents crime and disorder in their area<sup>19</sup>.

## Timescales

- 4.9 This National Framework has an open ended duration. The Secretary of State continues to be responsible for keeping the terms of the Framework under review under section 21(3) of the Fire and Rescue Services Act 2004 and is required to prepare a biennial report to Parliament on the extent to which fire and rescue authorities are acting in accordance with the Framework, under section 25. From time to time, we will discuss with partners whether changes need to be made to the document.

## Scope

- 4.10 The National Framework covers England only. It does not apply to Northern Ireland, Scotland or Wales where responsibility for their fire and rescue services is fully devolved.

# Endnotes

## Introduction

1. Chapter 4 sets out the legislative context for the National Framework along with timescales and scope.

## Chapter 1- Safer communities

2. The requirement for fire and rescue authorities to produce an integrated risk management plan is included throughout this document, reflecting its role in making communities safer in a way which is transparent and accountable to communities. See the annex for the complete requirement.
3. The Civil Contingencies Act 2004 requires emergency responders in England and Wales to co-operate in maintaining a public Community Risk Register. These are approved and published by Local Resilience Forums which include representatives from local emergency responders as well as public, private and voluntary organisations. Further information is available at:

<http://www.cabinetoffice.gov.uk/content/risk-assessment> .

4. The National Risk Assessment is agreed by Ministers on an annual basis and sets out the collectively agreed assessment of the types of malicious and non-malicious disruptive events that would cause significant harm and disruption to the United Kingdom. The public facing version of the National Risk Assessment is the National Risk Register, available at:

<http://www.cabinetoffice.gov.uk/resource-library/national-risk-register>.

5. The National Resilience Planning Assumptions distil the information in the National Risk Assessment into twenty common consequences that should be planned for in order to be prepared for the risks in the National Risk Assessment. For each of these consequences, the National Resilience Planning Assumptions set an upper limit of the level of capability required in each instance. The National Resilience Planning Assumptions do not define the capability requirements of individual responders, for example, fire and rescue authorities.
6. Section 13 of the Fire and Rescue Services Act 2004 requires fire and rescue authorities to enter into reinforcement schemes with other fire and rescue authorities for securing mutual assistance. Section 16 of the Fire and Rescue Services Act 2004 enables fire and rescue authorities to enter into arrangements for the discharge of their functions by others. The National Mutual Aid Protocol for Serious Incidents sets out the terms under

which fire and rescue authorities may expect to request or provide assistance to each other in the event of a serious incident. The Protocol is available at:

<http://www.communities.gov.uk/documents/fire/pdf/151879.pdf>.

7. The Civil Contingencies Act requires fire and rescue authorities to put in place business continuity management arrangements to ensure that they can continue to perform their functions in the event of an emergency, so far as is reasonably practicable. Further information is available at:

<http://www.cabinetoffice.gov.uk/content/civil-contingencies-act>.

8. The Civil Contingencies Act divides responders into two categories, imposing a different set of duties on each. Category 1 responders are those organisations at the core of the response to most emergencies, and they are subject to the full set of civil protection duties. Category 2 responders are co-operating bodies that will primarily be involved in incidents that affect their sector, and they have a lesser set of duties. Fire and rescue authorities are Category 1 responders. Further information is available at:

<http://www.cabinetoffice.gov.uk/content/civil-contingencies-act>.

9. This commitment has been made in both the Strategic Defence and Security Review and the counter-terrorism strategy - CONTEST. These documents are available at:

<http://www.cabinetoffice.gov.uk/resource-library/strategic-defence-and-security-review-securing-britain-age-uncertainty> ; *and*

<http://www.homeoffice.gov.uk/counter-terrorism/uk-counter-terrorism-strat/>.

10. The National Co-ordination and Advisory Framework is a structure which offers assistance during incidents which have national significance or require national co-ordination. Further information is available at:

<http://www.communities.gov.uk/publications/fire/opguidancencaf>.

11. The detailed structure, terms of reference and membership of the strategic governance arrangements will be developed through consultation with key fire partner organisations. These arrangements will not be detailed in the new National Framework, but will be supplementary to it.

12. A new burden is defined as any policy or initiative which increases the cost of providing local authority services. The doctrine seeks to keep the pressure on council tax down. It covers all types of local authority that either raise council tax or set a precept. This includes parishes, police and fire and rescue authorities. The new burdens doctrine only applies where central government requires or exhorts authorities to do something new or

additional. Action to ensure that they adequately fulfil a role for which they are already funded is not a new burden. Available at:

<http://www.communities.gov.uk/publications/localgovernment/newburdens2011>.

## **Chapter 4 – Legislative context, timescale, scope**

13. Section 22 of the Fire and Rescue Services Act 2004.

14. Protocol on Engagement and Intervention in Poorly Performing Local Authorities and jointly signed by the Local Government Association and Government in 2003.

15. Section 9 of the Fire and Rescue Services Act 2004.

16. Section 10 of the Fire and Rescue Services Act 2004.

17. The full set of civil protection duties are to:

- assess the risk of emergencies occurring and use this to inform contingency planning
- put in place emergency plans
- put in place business continuity management arrangements
- put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency
- share information with other local responders to enhance co-ordination; and
- co-operate with other local responders to enhance co-ordination and efficiency.

Further information on the Civil Contingencies Act is available at:

<http://www.cabinetoffice.gov.uk/content/civil-contingencies-act>

18. Each local resilience area is based on a police area. The principal mechanism for multi-agency co-operation between Category 1 responders is the Local Resilience Forum. The Local Resilience Forum is not a statutory body, but it is a statutory process.

19. Section 17 of the Crime and Disorder Act 1998.



## Annex

# Complete integrated risk management plan requirement

For completeness, each integrated risk management plan requirement is repeated below.

Integrated risk management planning plays a key role in identifying, assessing and mitigating fire and rescue related risks.

### Paragraph 1.3

**Each fire and rescue authority must produce an integrated risk management plan that identifies and assesses all fire and rescue related risks that could affect their communities, including those of a cross-border, multi-authority and/or national nature. The Plan must have regard to the community risk registers produced by Local Resilience Forums and any other local risk analyses as appropriate.**

**Fire and rescue authorities' integrated risk management plan must:**

### Paragraph 1.7

- **demonstrate how prevention, protection and response activities will best be used to mitigate the impact of risk on communities, through authorities working either individually or collectively, in a cost effective way; and**
- **set out their management strategy and risk based programme for enforcing the provisions of the Regulatory Reform (Fire Safety) Order 2005 in accordance with the current Statutory Code of Compliance for Regulators and Enforcement Concordat.**

### Paragraph 2.3

- **be easily accessible and publicly available**
- **reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies, and partners**

- **cover at least a three-year timespan and be reviewed and revised as often as it is necessary to ensure that fire and rescue authorities are able to deliver the requirements set out in this Framework; and**
- **reflect up to date risk analyses and the evaluation of service delivery outcomes.**

### **Paragraph 1.8**

**Fire and rescue authorities must make provision to respond to incidents such as fires, road traffic accidents and emergencies within their area and in other areas in line with their mutual aid agreements and reflect this in their integrated risk management plans.**

### **Paragraph 3.2**

**Fire and rescue authorities must provide assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in this Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance.**

The Government does not plan to issue additional integrated risk management plan-related guidance. The Department for Communities and Local Government values the multi-partner Integrated Risk Management Plan Steering Group, put in place to take this work forward.

# About this consultation

This consultation document and consultation process have been planned to adhere to the Code of Practice on Consultation issued by the Department for Business, Innovation and Skills and are in line with the consultation criteria except that the consultation period is longer (14 weeks). The consultation criteria are:

- formal consultation should take place at a stage when there is scope to influence the policy outcome
- consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible
- consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals
- consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach
- keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained
- consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation; and
- officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but

we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

The Department for Communities and Local Government will process your personal data in accordance with the Data Protection Act and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Individual responses will not be acknowledged unless specifically requested. Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed these criteria? If not or you have any other observations about how we can improve the process please contact the Department.

Consultation Co-ordinator  
Zone 6/H10  
Eland House  
London SW1E 5DU  
or by e-mail to: [consultationcoordinator@communities.gsi.gov.uk](mailto:consultationcoordinator@communities.gsi.gov.uk)

15 December 2011

Dear Colleague,

**Strategic governance arrangements for fire and rescue national resilience**

We are pleased to attach a discussion paper on the proposed strategic governance arrangements for fire and rescue national resilience. This paper is the outcome of joint working by DCLG and CFOA, and is supported by both organisations. The proposals contained in the paper build on the commitment in the Fire and Rescue National Framework consultation document, published earlier this week, to ensure that appropriate, agreed strategic governance arrangements are in place to enable fire and rescue authorities to collectively engage with Government on national resilience issues.

It is recognised that national resilience is best planned for on the basis of local professional expertise and understanding of risk, supported by strong partnership arrangements. The attached discussion paper sets out proposals for how Government and fire and rescue authorities could work in partnership to agree how national resilience risks should be addressed. It sets out the proposed purpose and structure of the strategic governance arrangements, and proposes the establishment of a new Fire and Rescue Strategic Resilience Board. The paper also suggests that the existing National Resilience Board should become the delivery arm of the Strategic Resilience Board.

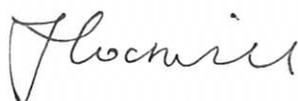
We would welcome your comments on this discussion paper and, in particular, on the five specific questions raised in the paper. Please send your comments to [Bethan.MacDonald@communities.gsi.gov.uk](mailto:Bethan.MacDonald@communities.gsi.gov.uk) by **Friday 16 March 2012**. If there are other, related issues that you wish to comment on, please include these comments, too.

Your comments and observations will help to shape the work going forward. We intend to be able to advise you of the finalised arrangements by Spring 2012, and we intend to have the new arrangements in place by mid-2012.

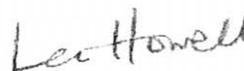
If you need any further information or if you would like to discuss this further, please contact: Heidi Pearson, DCLG ([heidi.pearson@communities.gsi.gov.uk](mailto:heidi.pearson@communities.gsi.gov.uk); 030344 44384) or Bethan MacDonald, DCLG ([bethan.macdonald@communities.gsi.gov.uk](mailto:bethan.macdonald@communities.gsi.gov.uk); 030344 42802).

We look forward to receiving your comments.

Yours sincerely,



Jane Cockerill  
Deputy Director  
National Resilience and Fire Programmes  
DCLG



Lee Howell  
President  
The Chief Fire Officers' Association



JOINT DCLG/CFOA DISCUSSION PAPER

**Strategic Governance Arrangements for  
Fire and Rescue National Resilience**

**A discussion paper prepared by the Department for Communities and Local  
Government and the Chief Fire Officers' Association**

**Introduction**

1. The draft Fire and Rescue National Framework sets out the roles of fire and rescue authorities and the Government to deliver national resilience. Fire and rescue authorities need to assess all reasonable fire and rescue related risks that could affect their communities (from local fires to terrorist attacks), and have the necessary arrangements in place to manage the majority of these risks, either through adjusting existing provision, more effective collaboration and partnership working, or building new capability.
2. The draft Framework also states that, occasionally, fire and rescue authorities will be required to respond to incidents of such scale and/or complexity that local resources may be overwhelmed even when taking into account mutual aid agreements, pooling and reconfiguration of resources and collective action. These risks need to be planned for on a strategic, national basis. For the purposes of this paper, these risks will be referred to as national resilience risks.
3. The Government retains over-arching responsibility for ensuring we are resilient as a nation to national resilience risks, and the draft National Framework continues to recognise that national resilience is best planned for on the basis of local professional expertise and understanding of risk, supported by strong partnership arrangements.
4. In order to ensure continued resilience, fire and rescue authorities and the Government need to work in partnership to agree whether and/or how these national resilience risks should be addressed. The draft Framework states that **the Department for Communities and Local Government (DCLG) will ensure that appropriate, agreed strategic governance arrangements are in place to enable fire and rescue authorities to collectively engage with Government on national resilience issues.**
5. This paper sets out proposals on these strategic governance arrangements, and invites comments and views from partners on the following questions:

*Q1: Do you agree with the purpose of the strategic governance arrangements?*

*Q2: Does the creation of a new Strategic Resilience Board seem sensible?*

## JOINT DCLG/CFOA DISCUSSION PAPER

Q3: Are you happy with the proposed chair, secretariat arrangements and membership for the Strategic Resilience Board?

Q4: Do the delivery arrangements for the Strategic Resilience Board seem sensible?

Q5: Do you have any other comments on the strategic governance arrangements?

### Purpose of the strategic governance arrangements

6. The draft Framework sets out that the purpose of the strategic governance arrangements is to support discussions and decision making in relation to national resilience, in the context of fire and rescue authorities.
7. The strategic governance arrangements will provide a forum for fire and rescue authorities and fire professionals to engage with central Government to:
  - reach a **joint understanding** of national resilience risks and priorities, and current fire and rescue capability in relation to those risks, based on fire and rescue authorities' risk assessments, gap analyses and other relevant processes;
  - identify any existing **capability gaps** and/or any redundant capability;
  - determine **whether and/or how to fill** any existing capability gaps;
  - agree whether any new and/or emerging national resilience risks identified by central Government have a fire and rescue role and, if so, determine whether there are any capability gaps and, if necessary, how these should be filled;
  - agree whether any capability gaps identified by fire and rescue authorities can be filled through reconfiguration of existing capability or innovative solutions. If not, determine whether and/or how to fill these capability gaps;
  - provide **advice to Ministers** on fire and rescue national resilience capability and, where necessary, produce **costed options** for how new capability can be built, taking into consideration the likelihood/impact of the risk and funding pressures;
  - provide a **route for Government to commission** and fund new capability from fire and rescue authorities, if required and where agreed by Ministers;
  - provide a mechanism through which **fire and rescue authorities provide assurance** to Government that agreed capabilities are in place and fit-for-purpose; and
  - consider strategic **intraoperability** and **interoperability** issues, including issues identified through cross-Government work.

## JOINT DCLG/CFOA DISCUSSION PAPER

8. Final decisions on whether new capability is required will be for Ministers to take, informed by recommendations from the strategic governance arrangements.
9. **Diagram A** on page 5 illustrates the roles and responsibilities of the strategic governance arrangements, with central Government represented in blue on the left and fire and rescue authorities represented in red on the right. The strategic governance arrangements are represented by the circle in the centre; listed within the circle are the key roles of the arrangements. Some roles will be delivered jointly (e.g. determining whether and/or how to fill any capability gaps), others will be Government-led (e.g. commissioning new capability from fire and rescue authorities) or fire and rescue authority-led (e.g. delivering the new capability).
10. National resilience risks will be identified through a number of routes:
  - a) By central Government, through the National Risk Assessment process;
  - b) By fire and rescue authorities, through local risk assessment and gap analysis processes which have regard to the Community Risk Registers produced by Local Resilience Forums;
  - c) By CFOA operational response and capability leads; and/or
  - d) Through lessons learnt from incidents, exercises and training.
11. The strategic governance arrangements might discuss, for example: the fire and rescue role in international humanitarian assistance, new risks and emerging threats, and response to national flooding, nuclear and radiation incidents; etc.

**Structure**

12. There is currently no existing governance arrangement or board that can deliver the purpose set out above. The existing Fire and Rescue National Resilience Board seldom considers strategic national resilience issues. Its focus is on ensuring existing national resilience capability (new dimension equipment and crews) is maintained and that assurance on this is provided back to Government.

*A new Fire and Rescue Strategic Resilience Board*

13. One way in which the governance arrangements could be structured is to establish a new strategic board to form a focal point for discussion between Government, fire professionals and fire and rescue authorities, and to deliver the purpose set out in paragraph 7. The board would be the key route through which central Government discusses national resilience with fire and rescue authorities. The board could be known as the Fire and Rescue Strategic Resilience Board.

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14. It is proposed that the Board be chaired by the Director of Fire, Resilience and Emergencies in DCLG and for the secretariat to be provided by DCLG.
15. Other members of the Board could include:
  - CFOA, to represent the professional leadership of the FRS
  - LGA, to represent employers/authorities
  - Chief Fire and Rescue Adviser, to provide advice and expertise
  - Chair of the National Resilience Board, to provide the link to the delivery arm of the Strategic Resilience Board
  - Cabinet Office, to provide advice on wider resilience policy
  - The Devolved Administrations
  - Other Government Departments, on invitation, as necessary
  - Other chairs of relevant groups/boards, on invitation, as necessary

*Delivery arrangements*

16. The existing National Resilience Board would become the delivery arm of the Strategic Resilience Board. The Government, through the Strategic Resilience Board, would commission the National Resilience Board to deliver any new capabilities and to provide overall assurance on national resilience capability. The National Resilience Board would be supported by various technical and specialist groups, as per current arrangements. The National Resilience Board would report to the Strategic Resilience Board.
17. It is envisaged that the National Resilience Board and its supporting sub groups would be managed as per current arrangements.
18. Through the National Resilience Board and its supporting groups, fire and rescue authorities would develop a collective position on national resilience issues. This collective position and associated recommendations would then be brought to the Strategic Resilience Board by the Chair of the National Resilience Board.
19. In determining those national resilience issues that need to be considered by the Strategic Resilience Board, the National Resilience Board will draw on:
  - the National Risk Assessment and National Resilience Planning Assumptions;
  - local Integrated Risk Management Plans;
  - the Community Risk Registers produced by Local Resilience Forums;
  - sector resilience plans for Critical National Infrastructure;
  - the expertise of CFOA operational response and capability leads; and
  - learning from national and international incidents, exercises and training.

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20. If needed, fire and rescue authorities could establish other sub groups to manage contracts and to provide the assurance required by the Strategic Resilience Board.



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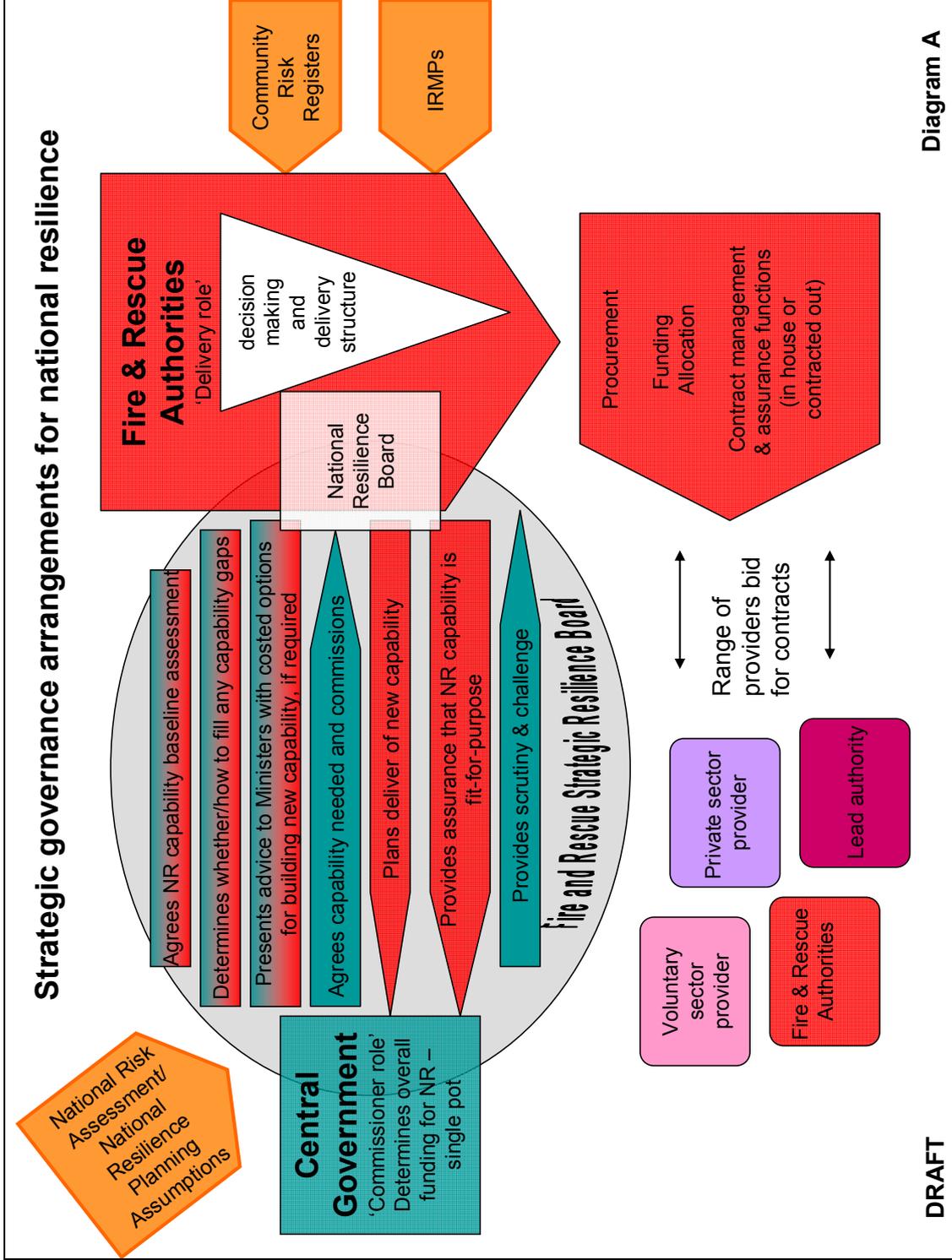


Diagram A

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**Pensions update**

**Purpose of report**

For discussion and direction.

**Summary**

This paper provides an update on current pension issues, including the Government's Heads of Agreement on the new pension scheme which will come into effect from 2015, and the issue of retained firefighters' pensions.

**Recommendation**

Members are asked to consider and comment on the issues set out in the paper.

**Action**

Officers to take forward Members' recommendations.

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**Pensions update**

**Background**

1. Over the last five months DCLG has been negotiating with the fire unions over the terms of a new fire pension scheme that will come into effect in 2015. The LGA has been supporting these discussions.
2. These discussions have been one strand of the wider public sector pension reform which the Government instituted in July 2011 as a means of implementing the Hutton recommendations.
3. In a written ministerial statement, on 9 February 2012, the Government announced its final position (Heads of Agreement) on the main elements of 2015 scheme design, which unions have agreed to take to their Executives. (See paragraphs 5 to 7 below and **Appendix A** for the full text of the Heads of Agreement).
4. Separately DCLG has been negotiating a settlement with the Fire Brigades Union (FBU) on retained firefighters' pensions, in line with the outcome of the Employment Tribunal (case number: 6100000/21). We understand that these negotiations are at an advanced stage and that DCLG will be bringing forward a consultation shortly. There are potential cost implications for fire authorities associated with this development which are discussed in paragraphs 10 to 15 below. A letter to Bob Neill MP from Cllr Brian Coleman in relation to the retained firefighter pension issue is attached as **Appendix B**.

**Pension Reform: The New Firefighters 2015 Pension Scheme**

5. In his written ministerial statement the Minister for Fire, Bob Neill MP, has set out the Government's final position on main elements of the 2015 scheme design:
  - 5.1 A pension scheme design based on career average revalued earnings.
  - 5.2 A provisional accrual rate of 1/58.7th of pensionable earnings each year, subject to further agreement on the outstanding issues set out in Annex B.
  - 5.3 There will be no cap on how much pension can be accrued.

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- 5.4 A revaluation rate of active members' benefits in line with average weekly earnings.
- 5.5 Pensions in payment and deferred benefits to increase in line with prices Index (currently CPI).
- 5.6 Average member contributions of 13.2% from April 2015, with some protection for new entrants.
- 5.7 Flexible retirement from the scheme's minimum pension age of 55, built around the scheme's normal pension age of 60.
- 5.8 The Normal Pension Age will be subject to regular review.
- 5.9 Ill-health retirement benefits and all other ancillary benefits to be based on the arrangements in the 2006 scheme.
- 5.10 There is a comprehensive accrued rights protection guarantee including:
  - 5.10.1 All benefits accrued under final salary arrangements will be linked to the members' final salary.
  - 5.10.2 Full recognition of a members' expectation to double accrual for service accrued under the Firefighters' Pension Scheme 1992.
  - 5.10.3 Members to be able to access their 1992 scheme benefits when they retire at that scheme's ordinary pension age (i.e. from age 50 with 25 or more years pensionable service).
  - 5.10.4 Members will continue to have access to an actuarially assessed commutation factor for benefits accrued under the 1992 scheme.
- 5.11 There will be statutory based transitional protections so that:
  - 5.11.1 All active scheme members who, as of 1 April 2012, have 10 years or less to their current Normal Pension Age will see neither change in when they can retire, nor any

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decrease in the amount of pension they receive at their current Normal Pension Age.

5.11.2 Members who are up to 14 years from their current Normal Pension Age, as of 1 April 2012, will have limited protection so that on average for every month of age they are beyond 10 years of their Normal Pension Age, they gain about 53 days of protection.

6. A feature of the new scheme is the employer cost cap. The Government has introduced the employer cost cap following recommendations from Lord Hutton. Only changes to scheme costs, such as increased longevity, will be covered by the cap. Other changes to financial costs, such as changes to the discount rate, will fall outside the cap and will be met by employers. The employer cost cap will be set following a full actuarial valuation. The cap and floor will be symmetrical and will be set as 2% above and below the employer contribution rate calculated ahead of the introduction of the new 2015 scheme.
7. The employers' contribution rate will not be known until after the actuarial valuation. The cost ceiling published at the beginning of December 2011 implies an employer contribution rate of 13.8 per cent.
8. As stated in the ministerial statement, this is the Government's final position on the main elements of the 2015 scheme design. However the Government is expecting on-going discussions on the detailed elements of the scheme design. There are a number of issues that have been identified for further specific discussion including:
  - 8.1 The contribution rates and structure in the new firefighters' pension scheme, and the distribution of years 2 and 3 of planned increases in the current schemes.
  - 8.2 A detailed timetable, terms of reference, and process for reviewing the Normal Pension Age.
9. The position achieved to date should provide a basis for continuing discussion between DCLG, the LGA and the fire unions on these remaining issues. However, the FBU Executive Council released a statement on 9 February 2012 saying that they "believe these proposals to be unacceptable". The LGA will continue to assist the parties in their discussions.

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**Retained Firefighters' Pensions: Key Issues**

10. The negotiations between DCLG and the Fire Brigades Union, discussed in paragraph 4 above, are likely to result in all retained firefighters with service between 1 July 2000 and 5 April 2006 inclusive being eligible for special membership of the NFPS.
11. It is not possible to accurately calculate the additional scheme liability because the settlement details have not been concluded and retained firefighters will have a choice as to whether they buy back past service. However, the financial liability could be large and fire authorities with retained firefighter staff would have recognised the Tribunal judgement as leading to a potential financial risk.
12. Once the order discussed above is in force retained firefighters will be able to backdate service under the terms of an options exercise. The scheme liability could begin to emerge in 2012-13 financial year.
13. If there is an employer liability arising from the Tribunal judgement, the LGA's view is that it is imperative that this liability is managed over the long-term. Options to achieve this would include adjustments to employer contribution rates and capitalisation.
14. In discussions that took place between DCLG and LGA in 2009, which were led by Cllr Fred Walker (the then FSMC pensions lead) the favoured approach was to deal with the liability within a future valuation of the scheme. The valuation that the Government's Actuarial Department were undertaking at that time was put on hold and is now due to take place in 2014. DCLG have now reopened discussion on this issue reflecting the time that has elapsed since those early discussions and the political and economic changes that have taken place.
15. We have asked DCLG to provide further information, through the Government's Actuarial Department (GAD), on the potential costs to the scheme.



# **Firefighters' Pension Scheme: Heads of Agreement**





# **Firefighters' Pension Scheme: Heads of Agreement**

February 2012  
Department for Communities and Local Government

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## Firefighters' Pension Scheme: Heads of Agreement

This document sets out the Heads of Agreement on the parameters to govern scheme design for the Firefighters' Pension Scheme in England to be introduced from April 2015 ('the 2015 scheme'). This sets out the Government's final position on the main elements of scheme design, provided that agreement can be reached on the core parameters, which unions have agreed to take to their Executives following discussions. To that end, further work will take place over the coming weeks, and Executives can consult their members as appropriate. The Government and the fire service unions remain committed to maintaining a constructive dialogue during discussions over the detailed elements of the scheme design, and whilst members are being consulted. Discussion and analysis will take place through the Pension Reform Group for the Firefighters' Pension Scheme.

### *Accrued rights protection guarantee*

1. There will be full statutory protection for accrued rights for all members as follows:
  - a. all benefits accrued under final salary arrangements will be linked to the members' final salary, in accordance with the rules of the members' current schemes, when they leave the reformed scheme
  - b. full recognition of a members' expectation to double accrual for service accrued under the Firefighters' Pension Scheme 1992 ('the 1992 scheme'), so that a members' full continuous pensionable service upon retirement will be used to calculate an averaged accrual rate to be applied to service accrued under the 1992 scheme
  - c. members to be able to access their 1992 scheme benefits when they retire at that scheme's ordinary pension age (i.e. from age 50 with 25 or more years pensionable service), subject to abatement rules for that scheme. Pensionable service for the purpose of calculating the ordinary pension age will include any continuous pensionable service accrued under both the 1992 scheme and the 2015 scheme
  - d. members will continue to have access to an actuarially assessed commutation factor for benefits accrued under the 1992 scheme

### *Transitional protection*

2. There will be statutory based transitional protections for certain categories of members, as follows:
  - a. all active scheme members who, as of 1 April 2012, have 10 years or less to their current Normal Pension Age<sup>1</sup> will see no change in when they can retire, nor any decrease in the amount of pension they receive at their current Normal Pension Age. This protection will be achieved by the member remaining in their current scheme until they retire.
  - b. there will be a further 4 years of tapered protection for scheme members. Members who are up to 14 years from their current Normal Pension Age, as of 1 April 2012, will have limited protection so that on average for every month of age they are beyond 10 years of their Normal Pension Age, they gain about 53 days of protection. The last day of protected service for any member will be 31 March 2022. At the end of the protected period, they will be transferred into the new pension scheme arrangements. Further details on how the tapered protection will apply can be found at **Annex A**.

### *Main scheme design parameters for a new Firefighters' Pension Scheme*

3. The main parameters of the new scheme from 2015 are set out below. Discussions will continue on a number of areas set out in **Annex B**.
  - a. a pension scheme design based on career average revalued earnings
  - b. a provisional accrual rate of 1/58.7th of pensionable earnings each year, subject to further agreement on the outstanding issues set out in Annex B
  - c. there will be no cap on how much pension can be accrued
  - d. a revaluation rate of active members' benefits in line with average weekly earnings
  - e. pensions in payment and deferred benefits to increase in line with Prices Index (currently CPI)

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<sup>1</sup> The Normal Pension Age for the purpose of the Firefighters' Pension Scheme 1992 is age 55, for the New Firefighters' Pension Scheme 2006 it is age 60.

- f. average member contributions of 13.2% from April 2015, with some protection for new entrants. However, as announced by the Chief Secretary to the Treasury on 20 December, the Government will review the impact of the proposed 2012-13 contribution changes, including the effect of membership opt-outs, before taking final decisions on how future increases will be delivered in 2013-14 and 2014-15, and in the new scheme. Interested parties will have a full opportunity to provide evidence and their views to the Government as part of the review.
- g. flexible retirement from the scheme's minimum pension age of 55, built around the scheme's normal pension age of 60, with members able to take their pension from minimum pension age as follows:
  - for all active members who are aged 57 or more at retirement, 2015 scheme benefits taken before Normal Pension Age will be actuarially reduced with reference to the 2015 scheme's Normal Pension Age, rather than the deferred pension age
  - all other members will have their 2015 scheme benefits actuarially reduced on a cost neutral basis from the scheme's deferred pension age
- h. the Normal Pension Age will be subject to regular review. These reviews will consider the increasing State Pension Age and any changes to it, alongside evidence from interested parties, including unions and employers. It will consider if the Normal Pension Age of 60 remains relevant, taking account of the economical, efficient and effective management of the fire service, the changing profile of the workforce and the occupational demands of, and fitness standards for, firefighting roles
- i. this regular review will be informed by such research carried out by the Firefighters' Pension Committee, which will monitor and collate scheme data and experience
- j. late retirement factors for members retiring from active service to be actuarially neutral from Normal Pension Age
- k. a deferred pension age equal to the individuals' State Pension Age
- l. optional lump sum by commutation at a rate of £12 for every £1 per annum of pension foregone in accordance with HMRC limits and regulations
- m. abatement in existing schemes to continue

- n. ill-health retirement benefits to be based on the arrangements in the 2006 scheme
  - o. all other ancillary benefits to be based on those contained in the 2006 scheme
  - p. members rejoining after a period of deferment of less than 5 years can link new service with previous service, as if they had always been an active member
  - q. members transferring between public service schemes would be treated as having continuous active service
  - r. an employer contribution cap and floor as set out below.
4. For the purposes of the reform design process for 2015, the Government previously set out the gross cost ceiling of 27.0% and the net cost ceiling of 13.8%. Attached at **Annex C** is a report by the scheme actuary verifying that the expected cost of the proposed scheme design above is within the cost ceiling. This report has been prepared in accordance with the advice in the Government Actuary's Department's report of 7 October 2011: Cost ceilings for scheme level discussions: Advice on data, methodology and assumptions, with suitable adaptations to take account of scheme specific circumstances.
5. The scheme design parameters have been reviewed by HM Treasury who have agreed the approach taken to risk management.
6. This agreement also covers arrangements for an employers cost cap and floor, and a 25 year guarantee (further information at **Annex D**).



## Annex A

### Tapered protection

1. Scheme members who, on 1 April 2012, are in the Firefighters' Pension Scheme 1992 and between the ages of 41 and 45, or are in the New Firefighters' Pension Scheme 2006 and between the ages of 46 and 50, will continue to accrue pension in their existing scheme on a tapered basis. They gain about 53 days of protection in their existing schemes for every month they are older than 41 years in the 1992 scheme and 46 years in the 2006 scheme, as set out in the table below. Once a members' tapered protection expires, they will be transferred into the new pension scheme.
  
2. Members will be able to take their 'Part 1' pension on retirement at their current Normal Pension Age for that scheme (or, in the case of members of the 1992 scheme, at their ordinary pension age), subject to abatement rules. After members are transferred into the new pension scheme, they will accrue their 'Part 2' pension in that scheme.

### Firefighters' Pension Scheme 1992

Date of Birth		Age at 1 April 2012		Days of protection	Age at end of protection				Date of end of protection
					From		To		
From	To	Year	Month		Year	Month	Year	Month	
02/04/1967	01/05/1967	44	11	2557	54	11	55	0	31/03/2022
02/05/1967	01/06/1967	44	10	2504	54	8	54	9	06/02/2022
02/06/1967	01/07/1967	44	9	2450	54	5	54	6	14/12/2021
02/07/1967	01/08/1967	44	8	2398	54	3	54	4	23/10/2021
02/08/1967	01/09/1967	44	7	2343	54	0	54	1	29/08/2021
02/09/1967	01/10/1967	44	6	2289	53	9	53	10	06/07/2021
02/10/1967	01/11/1967	44	5	2237	53	6	53	7	15/05/2021
02/11/1967	01/12/1967	44	4	2182	53	4	53	5	21/03/2021
02/12/1967	01/01/1968	44	3	2130	53	1	53	2	28/01/2021
02/01/1968	01/02/1968	44	2	2076	52	10	52	11	05/12/2020
02/02/1968	01/03/1968	44	1	2021	52	7	52	8	11/10/2020
02/03/1968	01/04/1968	44	0	1971	52	5	52	6	22/08/2020
02/04/1968	01/05/1968	43	11	1916	52	2	52	3	28/06/2020

02/05/1968	01/06/1968	43	10	1864	51	11	52	0	07/05/2020
02/06/1968	01/07/1968	43	9	1810	51	8	51	9	14/03/2020
02/07/1968	01/08/1968	43	8	1757	51	6	51	7	21/01/2020
02/08/1968	01/09/1968	43	7	1703	51	3	51	4	28/11/2019
02/09/1968	01/10/1968	43	6	1649	51	0	51	1	05/10/2019
02/10/1968	01/11/1968	43	5	1596	50	9	50	10	13/08/2019
02/11/1968	01/12/1968	43	4	1542	50	7	50	8	20/06/2019
02/12/1968	01/01/1969	43	3	1489	50	4	50	5	28/04/2019
02/01/1969	01/02/1969	43	2	1435	50	1	50	2	05/03/2019
02/02/1969	01/03/1969	43	1	1381	49	10	49	11	10/01/2019
02/03/1969	01/04/1969	43	0	1332	49	8	49	9	22/11/2018
02/04/1969	01/05/1969	42	11	1278	49	5	49	6	29/09/2018
02/05/1969	01/06/1969	42	10	1225	49	2	49	3	07/08/2018
02/06/1969	01/07/1969	42	9	1171	48	11	49	0	14/06/2018
02/07/1969	01/08/1969	42	8	1118	48	9	48	10	22/04/2018
02/08/1969	01/09/1969	42	7	1064	48	6	48	7	27/02/2018
02/09/1969	01/10/1969	42	6	1010	48	3	48	4	04/01/2018
02/10/1969	01/11/1969	42	5	957	48	0	48	1	12/11/2017
02/11/1969	01/12/1969	42	4	903	47	10	47	11	19/09/2017
02/12/1969	01/01/1970	42	3	851	47	7	47	8	29/07/2017
02/01/1970	01/02/1970	42	2	796	47	4	47	5	04/06/2017
02/02/1970	01/03/1970	42	1	742	47	1	47	2	11/04/2017
02/03/1970	01/04/1970	42	0	693	46	11	47	0	21/02/2017
02/04/1970	01/05/1970	41	11	639	46	8	46	9	29/12/2016
02/05/1970	01/06/1970	41	10	586	46	5	46	6	06/11/2016
02/06/1970	01/07/1970	41	9	532	46	2	46	3	13/09/2016
02/07/1970	01/08/1970	41	8	480	46	0	46	1	23/07/2016
02/08/1970	01/09/1970	41	7	425	45	9	45	10	29/05/2016
02/09/1970	01/10/1970	41	6	371	45	6	45	7	05/04/2016
02/10/1970	01/11/1970	41	5	319	45	3	45	4	13/02/2016
02/11/1970	01/12/1970	41	4	264	45	1	45	2	20/12/2015
02/12/1970	01/01/1971	41	3	212	44	10	44	11	29/10/2015

02/01/1971	01/02/1971	41	2	158	44	7	44	8	05/09/2015
02/02/1971	01/03/1971	41	1	103	44	4	44	5	12/07/2015
02/03/1971	01/04/1971	41	0	54	44	2	44	3	24/05/2015

### New Firefighters' Pension Scheme 2006

Date of Birth		Age at 1 April 2012		Days of protection	Age at end of protection				Date of end of protection
					From		To		
From	To	Year	Month		Year	Month	Year	Month	
02/04/1962	01/05/1962	49	11	2557	59	11	60	0	31/03/2022
02/05/1962	01/06/1962	49	10	2504	59	8	59	9	06/02/2022
02/06/1962	01/07/1962	49	9	2450	59	5	59	6	14/12/2021
02/07/1962	01/08/1962	49	8	2398	59	3	59	4	23/10/2021
02/08/1962	01/09/1962	49	7	2343	59	0	59	1	29/08/2021
02/09/1962	01/10/1962	49	6	2289	58	9	58	10	06/07/2021
02/10/1962	01/11/1962	49	5	2237	58	6	58	7	15/05/2021
02/11/1962	01/12/1962	49	4	2182	58	4	58	5	21/03/2021
02/12/1962	01/01/1963	49	3	2130	58	1	58	2	28/01/2021
02/01/1963	01/02/1963	49	2	2076	57	10	57	11	05/12/2020
02/02/1963	01/03/1963	49	1	2021	57	7	57	8	11/10/2020
02/03/1963	01/04/1963	49	0	1972	57	5	57	6	23/08/2020
02/04/1963	01/05/1963	48	11	1918	57	2	57	3	30/06/2020
02/05/1963	01/06/1963	48	10	1866	56	11	57	0	09/05/2020
02/06/1963	01/07/1963	48	9	1811	56	8	56	9	15/03/2020
02/07/1963	01/08/1963	48	8	1759	56	6	56	7	23/01/2020
02/08/1963	01/09/1963	48	7	1705	56	3	56	4	30/11/2019
02/09/1963	01/10/1963	48	6	1650	56	0	56	1	06/10/2019
02/10/1963	01/11/1963	48	5	1598	55	10	55	11	15/08/2019
02/11/1963	01/12/1963	48	4	1544	55	7	55	8	22/06/2019
02/12/1963	01/01/1964	48	3	1491	55	4	55	5	30/04/2019
02/01/1964	01/02/1964	48	2	1437	55	1	55	2	07/03/2019
02/02/1964	01/03/1964	48	1	1383	54	10	54	11	12/01/2019

02/03/1964	01/04/1964	48	0	1332	54	8	54	9	22/11/2018
02/04/1964	01/05/1964	47	11	1278	54	5	54	6	29/09/2018
02/05/1964	01/06/1964	47	10	1225	54	2	54	3	07/08/2018
02/06/1964	01/07/1964	47	9	1171	53	11	54	0	14/06/2018
02/07/1964	01/08/1964	47	8	1118	53	9	53	10	22/04/2018
02/08/1964	01/09/1964	47	7	1064	53	6	53	7	27/02/2018
02/09/1964	01/10/1964	47	6	1010	53	3	53	4	04/01/2018
02/10/1964	01/11/1964	47	5	957	53	0	53	1	12/11/2017
02/11/1964	01/12/1964	47	4	903	52	10	52	11	19/09/2017
02/12/1964	01/01/1975	47	3	851	52	7	52	8	29/07/2017
02/01/1965	01/02/1965	47	2	796	52	4	52	5	04/06/2017
02/02/1965	01/03/1965	47	1	742	52	1	52	2	11/04/2017
02/03/1965	01/04/1965	47	0	693	51	11	52	0	21/02/2017
02/04/1965	01/05/1965	46	11	639	51	8	51	9	29/12/2016
02/05/1965	01/06/1965	46	10	586	51	5	51	6	06/11/2016
02/06/1965	01/07/1965	46	9	532	51	2	51	3	13/09/2016
02/07/1965	01/08/1965	46	8	480	51	0	51	1	23/07/2016
02/08/1965	01/09/1965	46	7	425	50	9	50	10	29/05/2016
02/09/1965	01/10/1965	46	6	371	50	6	50	7	05/04/2016
02/10/1965	01/11/1965	46	5	319	50	3	50	4	13/02/2016
02/11/1965	01/12/1965	46	4	264	50	1	50	2	20/12/2015
02/12/1965	01/01/1966	46	3	212	49	10	49	11	29/10/2015
02/01/1966	01/02/1966	46	2	158	49	7	49	8	05/09/2015
02/02/1966	01/03/1966	46	1	103	49	4	49	5	12/07/2015
02/03/1966	01/04/1966	46	0	54	49	2	49	3	24/05/2015

### Areas for further discussion

1. The follow items remain to be discussed in detail with fire service trades unions and employers:
  - a. contribution rates and structure in the new firefighters' pension scheme, and the distribution of years 2 and 3 of planned increases in the current schemes. This will follow the outcome of the review into membership opt outs following 2012/13 increases in contributions.
  - b. contribution rates to be paid by members benefiting from the transitional protections
  - c. a detailed timetable, terms of reference, and process for reviewing the Normal Pension Age
  - d. a process for authority initiated early retirement from age 55 in the interests of the economical, efficient and effective management of the fire service
  - e. any issues on equality considerations that the unions or employers may raise.



**Verification report from the Government Actuary's  
Department**



**Firefighters' Pension Arrangements**  
**Verification of scheme-specific proposals**

Date: 9 February 2012

Author: Ian Boonin FIA

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## 1 Introduction

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- 1.1 This report has been prepared by the Government Actuary's Department (GAD) in its capacity as actuarial advisor to the Department for Communities and Local Government (DCLG) in connection with the Firefighters' Pension Arrangements in England (FPA or "the Scheme").
- 1.2 This report contains our advice on verifying that the new scheme design is within the cost ceiling and sets out the data, methodology and assumptions used in determining the value of the Reference Scheme and the new scheme design.
- 1.3 I understand that DCLG will forward this report to HM Treasury (HMT).
- 1.4 The data, methodology and assumptions and new scheme design described in this report are subject to approval by HMT, based on advice from GAD.
- 1.5 This report follows our normal quality processes for work conducted on public service pension matters.<sup>1</sup>

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<sup>1</sup> The GAD Statement of Understanding [http://www.gad.gov.uk/Documents/Occupational%20Pensions/GAD\\_Statement\\_of\\_Understanding\\_v\\_1.1\\_Dec\\_2011.pdf](http://www.gad.gov.uk/Documents/Occupational%20Pensions/GAD_Statement_of_Understanding_v_1.1_Dec_2011.pdf) sets out the standards which the Department currently applies for any work carried out in this area.

## 2 Verification Statement

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- 2.1 The Minister for the Fire Service wrote to the fire service unions on 8 December 2011 setting out the gross cost ceilings for the firefighters' pension arrangements. The gross cost ceiling is the scheme specific contribution rate required to provide the Government's preferred design (the "Reference Scheme"). The terms of the Reference Scheme were set out in that letter. The letter set out the following cost ceiling for the Firefighters' Pension Arrangements:

Gross Cost Ceiling	Employers	Employees
27.0%	13.8%	13.2%

- 2.2 Following scheme level discussions, the Secretary of State for Communities and Local Government has set out the new scheme design for the FPA for service from 1 April 2015. The new scheme design is attached at Appendix A.
- 2.3 The Government Actuary's Department provided advice to HMT on cost ceilings for scheme level discussions in the note of 7 October 2011: Cost Ceilings for scheme level discussions: Advice on data, methodology and assumptions. Section 8 of that note provided advice on verifying that new scheme designs are within the cost ceiling. This report has been prepared in accordance with the advice outlined in the 7 October 2011 report and subsequent HMT instructions (see appendix C).
- 2.4 I have compared the cost of the new scheme design set out in Appendix A with the Reference Scheme, and concluded that the new scheme design is within the required cost ceiling. This conclusion is subject to the comments below.
- 2.5 The conclusion in 2.4 is dependent on the data, methodology and assumptions adopted. These are set out in Section 3.
- 2.6 The data, methodology, assumptions and new scheme design described in this report are subject to approval by HMT, based on advice from the Government Actuary's Department. HMT have confirmed that they are content.
- 2.7 The costs of both the new scheme design and the Reference Scheme will change over time. I have considered these possible changes in the scheme costs and conclude that, allowing for this effect, the cost of the new scheme design set out in Appendix A remains within the cost of the Reference Scheme when assessed on the revised assumptions discussed in 3.4 and 3.6. This comparison is discussed in section 5.
- 2.8 Limitations of this advice are described in section 6.

### **3 Data, methodology and assumptions**

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- 3.1 This section sets out the data, methodology and assumptions used for the comparison.
- 3.2 The cost ceilings were set in accordance with the data, methodology and assumptions set out in GAD's notes:
- > Review of the Firefighters' Pension Scheme (England): Assessment of cost ceiling and scheme specific proposals: Draft cost ceilings – results dated 17 January 2012, which referred to:
  - > Review of the Firefighters' Pension Scheme (England): Assessment of cost ceiling and scheme specific proposals: Data, methodology and assumptions dated 11 August 2011.
- 3.3 As required in paragraphs 8.2 to 8.10 of the GAD advice of 7 October 2011, I have considered whether the data, methodology and assumptions used to calculate cost ceilings will be appropriate to provide a fair comparison between the costs of the new scheme design set out in Appendix A with the Reference Scheme.
- 3.4 The gross cost ceiling outlined in 2.1 above assumed that all members retired on reaching age 60. No allowance was made for early or late retirements. The new scheme design allows for the early retirement terms of members who retire from active service at age 57 and above described in Appendix A.
- 3.5 In order to provide a fair comparison it is necessary to allow for early retirements in assessing the cost of the new scheme design set out in Appendix A.
- 3.6 Consequently HMT have requested that:
- > The Reference Scheme should be reassessed allowing for the early retirement of half of the unprotected ex-FPS 1992 members at age 52, on terms consistent<sup>2</sup> with the current FPS 1992 scheme. The remaining unprotected ex-FPS 1992 members should be assumed to remain in the scheme.
  - > We should assume that the introduction of the revised early retirement terms will result in the unprotected ex-FPS 1992 members who would have retired at 60 instead retiring at 57. In the short-term, other members (including all ex-NFPS 2006 members) should be assumed to have the same retirement pattern as in the Reference Scheme.
  - > In the long-term it should be assumed that the revised early retirement factors will lead to a change in behaviour and 25% of members in active service reaching age 57 will be assumed to retire immediately.
  - > In addition members who were assumed to withdraw from the scheme between ages 57 and 60 should instead be assumed to take early retirement at the age at which they would have deferred.
- 3.7 These revised assumptions are used to assess the cost of the new scheme design set out in Appendix A and the Reference Scheme. Note that the contribution rate required for the Reference Scheme using these revised assumptions will differ from the original cost ceiling, and so the cost ceiling outlined in 2.1 above does not play any direct role in the comparison.

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<sup>2</sup> There are no early retirement factors in the FPS 1992.

- 3.8 As a result of the revised early retirement terms, the FPS 1992 liabilities may be expected to increase. As requested by HMT we have assumed that the FPS 1992 past service liability will increase by an amount equivalent to assuming that half of all unprotected ex-FPS 1992 members will change their behaviour to retire at age 57 (three years earlier than they would have otherwise done). It has been assumed that the half of members with the most amount of FPS 1992 scheme service retire at age 52, and the half with the least amount of FPS 1992 scheme service remain in the scheme. I have assumed that this is equivalent to 65% of the pre-2015 liability of unprotected ex-FPS 1992 members relating to retirements at age 52.
- 3.9 After allowing for this past service cost, the cost of the proposed scheme remains within the revised cost ceiling.
- 3.10 No allowance has been made for any tapering of the ten-year protection; members who are subject to tapering have been treated as unprotected members.

**Summary of data, methodology and assumptions:**

- 3.11 The membership data used to assess the cost of the Reference Scheme and the new scheme design outlined in Appendix A is the most recent full extract of membership data (data as at 31 March 2011) and is summarised in Appendix B.
- 3.12 This data has been validated and some minor adjustments have been made. It is my opinion that the membership data is suitable for the purposes of this report.
- 3.13 We have assumed that the profile of the membership as at 2015 is unchanged from 2011, except that 39% of the salary of unprotected scheme members is assumed to relate to ex-FPS 1992 members who will not benefit from protection.
- 3.14 The methodology used to determine the value of the Reference Scheme and the new scheme design is the standard actuarial methodology known as the Projected Unit Method with a one year control period.
- 3.15 The key assumptions used to determine the relevant costs are:
- > retirement as discussed above.
  - > a real discount rate of 3% pa in excess of CPI in line with the current SCAPE discount rate
  - > a nominal discount rate of 5% pa
  - > earnings increases of 4 ¼ % pa
  - > CPI increases of 2% pa
  - > improvements in post-retirement life expectancy in line with the ONS 2008-based principal population projections
  - > proportion of pension commuted in exchange for a lump sum of 55% of HMRC limits.
  - > other demographic assumptions, set as best estimates.

## **4 Sensitivity analysis**

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- 4.1 The conclusion in Section 2.4 is sensitive to the data, methodology and assumptions used.
- 4.2 Given the proposed pension scheme design, the conclusion in Section 2 is particularly sensitive to the following
  - 4.2.1 Age retirement assumptions: The figures provided in this report have been based on the assumption that half of unprotected ex-FPS 1992 and approximately 25% of new entrant active members will retire three years earlier as a result of the introduction of the revised early retirement terms but that no other members will change their behaviour. If a different spread of early retirements were assumed between ages 55 and SPA then the affordable accrual rate may be higher or lower. We have assumed that all benefits have to be drawn from all schemes at the same time.
  - 4.2.2 Withdrawal rates: The new scheme design is expected to be more favourable to those members who remain in service until age 57 than to those who leave before then relative to the Reference Scheme. Thus if a different rate of withdrawals before age 57 were assumed, then the affordable accrual rate may be higher or lower .
- 4.3 The National Audit Office has noted that the cost of public service pensions, as a proportion of GDP, will rise if GDP growth is permanently lower than expected. The conclusion is sensitive to the assumed rate of earnings growth in excess of inflation. However, the impact of this sensitivity will be very much smaller than changes to the assumed age retirement and withdrawal rates.

## **5 Comparisons of costs in the longer term**

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- 5.1 Paragraphs 8.21 to 8.23 of GAD's note of 7 Oct 2011 stated that if any benefit design options are proposed in which the comparison of costs differs in the short term and the long term, then HM Treasury could consider the issues arising on a case-by-case basis.
- 5.2 The data used for the comparison is based on membership data as at 31 March 2011.
- 5.3 HMT have specified that the comparison should allow for the likely increases in average member age due to the increased pension ages.
- 5.4 The future membership age profile is uncertain. For simplicity, I have performed a comparison for the current membership with average age increased by  $(60 - \text{average retirement age}) / 2$ .
- 5.5 The current average retirement age of the scheme is approximately 52 years. I have therefore assumed that all current members are 4 years older than included in the membership data. In order to provide a fair comparison with the long term cost of the scheme I have assumed a State Pension Age of 68 for all members in both the Reference Scheme and the new scheme design.
- 5.6 I have concluded that, allowing for this effect, the cost of the new scheme design set out in Appendix A remains within the cost of the Reference Scheme when valued on the early retirement pattern discussed in 3.4 and 3.6 above.

## **6 Limitations**

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- 6.1 A number of limitations apply to the comparisons made and the conclusions reached in this report. These are described below.

### **Verification statement**

- 6.2 The purpose of this report is to provide HMT with the requested statement verifying that the cost of providing the new scheme structure is within specified cost limits.
- 6.3 This report has been produced on the basis of the comparisons requested by HMT as we understand them, namely:
- > On an ongoing basis comparing the Reference Scheme with the new scheme structure allowing for the proposed change in assumptions outlined in 3.4 and 3.6
  - > On a long term basis comparing the impact of an increase in the average age of the scheme membership
  - > Sensitivity testing in accordance with assumptions directed by HMT.
- 6.4 The costs compared for this report will inevitably differ from the ultimate costs of the new scheme and Reference Scheme, for reasons such as:
- > the membership data used to calculate the cost will differ from the actual scheme membership to which the new scheme will apply in future. The relative weighting of older and younger members in future may impact on how the proposed and Reference schemes compare in the longer term.
  - > the outturn will differ from the assumptions made. In particular the current assumed retirement and withdrawal rates may not occur in practice.

The above list is not exhaustive.

- 6.5 Some of the assumptions adopted are different between the Reference Scheme and the new scheme. Since only one scheme will be implemented in practice, it will not be possible to determine how close the assumption adopted for a scheme design that is not implemented would have been to actual experience.

### **Data, methodology and assumptions**

- 6.6 The costs being compared are sensitive to the data, methodology and assumptions adopted.
- 6.7 However the purpose of the comparisons is to verify that the new scheme structure can be provided within the cost limits set relative to the Reference Scheme. The significance of the data, methodology and assumptions used to determine the comparable costs therefore depends on what benefit variations are considered.
- 6.8 As outlined in 6.4 above changes in the scheme membership or the assumed rates of retirement or withdrawal from service may result in an alternative conclusion being drawn if the comparison had been made at some future time.
- 6.9 We have not made any allowance in our calculations for the changes in State Pension Age that were announced in the Autumn Statement on 29 November 2011. Any future announcements of changes in the State Pension Age will affect the costs of the Scheme.

### **Calculations**

- 6.10 Some of the calculations undertaken for the purposes of this document have been based on approximate methods. I do not expect this to materially affect the accrual rate of a scheme design that will pass the tests set out by HM Treasury.

### **Benefits**

- 6.11 The 'Reference Scheme' set out by HM Treasury and the new scheme design do not specify the full detail of every aspect of the benefit structures. Where there is scope for interpreting what benefits the 'Reference Scheme' or new scheme design includes, the calculations value benefits which are consistent with the recommendations of Lord Hutton's Independent Public Service Pensions Commission and in line with the scheme's current provisions. The approach taken in determining the draft cost ceilings is outlined in our report *Review of the Firefighters' Pension Scheme (England): Assessment of cost ceiling and scheme specific proposals: Data, methodology and assumptions dated 11 August 2011*.

### **Third party reliance and liability**

- 6.12 This report has been prepared for the Department for Communities and Local Government. I am content for the Department to release this report to third parties (including HM Treasury, other public service schemes, trades unions and parliament), provided that:
- > it is released in full
  - > the advice is not quoted selectively or partially, and
  - > GAD is identified as the source of the report
- 6.13 Third parties whose interests may differ from those of the Department for Communities and Local Government should be encouraged to seek their own actuarial advice where appropriate.
- 6.14 This report has been provided to the Department for Communities and Local Government for the purpose of providing HMT with verification of the new scheme structure for the FPA post 2015. No person other than the Department for Communities and Local Government or third party other than HMT is entitled to place any reliance on the contents of this report, except to any extent explicitly stated herein, and GAD has no liability to any other person or third party for any act or omission taken, either in whole or in part, on the basis of this report.

## **Appendix A: New scheme design**

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A.1 The new scheme design is a Career Average Revalued Earnings (CARE) pension scheme which includes the following features:

- a) A normal pension age of 60 (and a deferred pension age of State Pension Age)
- b) Revaluation of past CARE service for active members in line with earnings
- c) Pensions accrue at a rate of 1/58.7 for each year of service
- d) Early retirement reduction factors for retirement from active service from age 57 based on the period to normal pension age rather than the period to deferred pension age. Early retirement reduction factors for all other retirements based on the period to deferred pension age.
- e) Pensions in payment and in deferment indexed in line with prices<sup>3</sup>
- f) No fixed lump sums, optional commutation, with a 12:1 factor for converting pension to lump sum.
- g) Ancillary benefits (ill-health, death and survivors benefits) that match the current provisions that are currently available to new members (i.e. a lower tier ill health pensioner receives an unreduced CARE pension; a partner receives same proportion of member's pension as now)
- h) Members rejoining after a period of deferment of less than 5 years can link new service with previous service, as if they had always been an active member (so previous accruals are indexed by earnings for that period of deferment)
- i) Members transferring between public service schemes would be treated as having continuous active service (which would include those transferring between schemes who had rejoined public service after a gap of less than 5 years)

Members of the Firefighters' Pension Scheme 1992 on 1 April 2012 who are aged 45 or over on that day and members of the New Firefighters' Pension Scheme 2006 on 1 April 2012 who are aged 50 or over receive protection and are able to continue accruing benefits in their current scheme. Members of the Firefighters' Pension Scheme 1992 on 1 April 2012 who are aged 41 or over on that day and members of the New Firefighters' Pension Scheme 2006 on 1 April 2012 who are aged 46 or over will continue to accrue pension in their existing scheme on a tapered basis.

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<sup>3</sup> Pensions in payment and in deferment are indexed in line with the Pensions Increase Act 1971 and increases in line with this Act are assumed to be in line with the CPI.

**Appendix B: Data**

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B.1 This appendix contains summary statistics of the data used to value the Reference Scheme and the new scheme structure

B.2 Table B1 contains the number of members in the scheme, their pensionable salaries and their average ages weighted by pensionable salaries.

**Table B1 - Active members as at 31 March 2011**

	<b>Number</b>	<b>Total Pensionable Salaries (£ million pa)</b>	<b>Average Age weighted by pensionable salaries</b>
<b>Males</b>	33,953	1,064	41.0
<b>Females</b>	1,474	42	35.3
<b>Total</b>	<b>35,427</b>	<b>1,107</b>	<b>40.8</b>

## **Appendix C: Cost Ceiling Instructions**

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This report is based on the series of instructions which Treasury officials have provided as listed in the documents below.

- James Richardson's letter to Jeremy Pocklington of 22 July 2011. This outlined the cost ceiling test and stated that "cost ceilings cannot be exceeded in developing scheme specific proposals". Paragraphs 8-11 of Annex A of that letter described in more detail the arrangements for agreeing new scheme designs.
- GAD's note of 7 October 2011 *Cost ceilings for scheme level discussions: Advice on data, methodology and assumptions* which provided advice on appropriate data, methodology and assumptions for the purpose of cost ceiling calculations
- The Chief Secretary to the Treasury's letter to Brendan Barber on 7 October 2011. This confirms that the Government has agreed to spread the costs of transition and past service over a period of 7 years.
- James Richardson's letter to Jeremy Pocklington of 7 December 2011. This described how the cost ceiling test should be applied following the Chief Secretary to the Treasury's statement in the House of Commons on 2 November 2011. In particular, in respect of the 10-year protection announced on 2 November 2011.
- The Chief Secretary to the Treasury's letter to the Secretary of State for Communities and Local Government on 7 December 2011. This stated that the cost ceiling should be consistent with the GAD advice of 7 October 2011 with suitable adaptations to take account of the scheme specific circumstances.
- HMT instructions to DCLG and GAD's HM Treasury and DCLG teams of 8 February 2012. This email described the requirements on the methodology used for valuing the early retirement terms in the new scheme design.

HMT's instructions of 8 February 2012 are set out below.

### **Costs in respect of protected members.**

Since the protected members will remain in the existing scheme, no additional costs would arise in respect of these members from the proposal to provide early retirement factors by reference to the active pension age. In these particular circumstances, HMT is content that the methodology and assumptions should be set accordingly so that the accrual rate in the Heads of Agreement does not reflect any cost in respect of protected members from the proposal to provide these early retirement factors.

### **Comparisons of cost in the longer term**

The assumed retirement patterns for new entrants, as opposed to unprotected FPS members, mean that the relative service costs of this proposed design and the reference scheme vary in the longer term.

HMT intend that the accrual rate in the Heads of Agreement needs to take account of the comparison of costs in the longer term, as well as the comparison in the shorter term. This is consistent with the approach adopted for other schemes where the costs of proposed scheme designs were relatively higher in the longer term, further to paragraphs 8.21 to 8.23 of GAD's note of 7 October 2011.

### Treatment of past service costs

A past service cost arises under this proposed scheme design in respect of unprotected FPS members. HMT policy on the treatment of this past service cost is set out below. This is consistent with the approach adopted for other schemes, in particular the approach adopted for the TPS verification report of 19 December 2011.

Having determined a proposed scheme design that remains within the published cost ceiling when assessed across members of all ages (including those within 10 years of pension age) in the long term and the short term, schemes may offer protection for those within 10 years of their scheme's Normal Pension Age on 1 April 2012 and a taper of 3-4 years without any reduction to the accrual rate of proposed scheme design. Schemes may offer transitional arrangements over and above the 10 year protection and 3-4 year taper, but in this case the accrual rate must be reduced to allow for the extra costs of additional protection. The costs of the proposed scheme design with additional transitional protection and reduced accrual rate must not exceed the costs of the original proposed scheme design with the 10 year protection and 3-4 year taper.

Note this requires an iterative process to set the cost limits:

- Firstly the accrual rate required for the proposed design (without additional transition) will need to be calculated – this is then used to set the cost limit for transition / past service costs
- Then this accrual rate would need to be adjusted for transition / past service costs

The 7 year averaging period still applies, and so the transition cost limit is as follows:

<p>Average contribution rate required in 2015-2022 for proposed scheme design (including 10 year protection, taper, transition and adjusted accrual rate)</p>	+	<p>Past service costs spread over 7 years</p>	≤	<p>Average contribution rate required in 2015-2022 for original proposed scheme design (including 10 year protection and taper, but before allowance for transition and adjusted accrual rate)</p>
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### Difference in member behaviour for new entrants post-2015

The nature of this proposed scheme may lead to differences in member behaviour: in particular, members may choose to retire between age 57 and age 60. In these cases, in accordance with paragraph 8.13 of GAD's note of 7 October 2011, HM Treasury sets assumptions for the purpose of verifying that proposed pension scheme design is within the

Review of the Firefighters' Pension Arrangements – Verification of scheme-specific proposals

cost ceiling that are consistent with those used in the calculation of cost ceilings, but HM Treasury considers making allowance for those behavioural differences. Under the reference scheme it is assumed that all age retirements of active members occur at age 60. HM Treasury intends that for the purposes of cost ceiling calculations it should be assumed that for new entrants post-2015 under this proposed scheme design 25% of active members in service at age 57 would retire and take an actuarial reduced benefits at that age.



### **Employer cost cap and floor, opt out review, and 25 year guarantee**

#### **Employer cost cap and floor**

1. An employer cost cap will be introduced to cover unforeseen events and trends that significantly increase scheme costs. The employer cost cap is intended to provide backstop protection to the taxpayer and will be based on cap and share principles. This means that changes to contribution rates due to 'member costs' will be controlled by the cap. Financial cost pressures, including changes to the discount rate, will be met by employers. The employer cost cap will be symmetrical so that, if reduction in member costs fall below a 'floor', members' benefits will be improved.
2. The cost cap will include the impact of changes in costs such as actual or assumed longevity, of careers or the age and gender mix of the workforce. These costs cover all schemes (old and new) and all types of service (past and future) of active, deferred and pensioner members. Changes in actual and assumed price inflation and the discount rate will be excluded from the cost cap.
3. Scheme valuations will take place periodically to assess how the cost of the scheme has increased or reduced. In the event that member costs drive the cost of the scheme above the cap or below the floor, there will be a period of consultation with relevant groups before changes are made to bring costs within the cap and floor. If agreement cannot be reached through consultation, the accrual rate will be adjusted as an automatic default.
4. The employer cost cap will be set at 2% above and the floor set at 2% below the employer contribution rates calculated following a full actuarial valuation ahead of the introduction of the new scheme in 2015. Caps will not be based on cost ceilings.

#### **Reviewing contribution levels and opt-out rates**

5. The Government remains committed to securing in full the Spending Review savings of £2.3bn in 2013-14 and £2.8bn in 2014-15 from increased member contributions, and will consult formally on implementation in due course. The Government will review the impact of the 2012-13 contribution increases, including on opt-out, before taking final decisions on how future increases will be delivered. Interested parties will have the opportunity to provide evidence and views to the Government.

## **25 year guarantee**

6. The Chief Secretary to the Treasury set out to Parliament on 2 November an offer on public service pensions that is fair and sustainable, and one that can endure for 25 years. This means that no changes to scheme design, benefits or contribution rates should be necessary for 25 years outside of the processes agreed for the cost cap. To give substance to this, the Government intends to include provisions on the face of the forthcoming Public Service Pensions Bill to ensure a high bar is set for future Governments to change the design of the schemes. The Chief Secretary to the Treasury will also give a commitment to Parliament of no more reform for 25 years.

Mr Bob Neill MP  
Parliamentary Under Secretary of State  
Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU

7<sup>th</sup> February 2012

Dear Minister,

### **Retained Firefighters' Pensions**

I am writing to raise the LGA Fire Services Management Committee's concerns about the pension scheme liability associated with retained firefighters' pensions.

We are aware that Department for Communities and Local Government (DCLG) has been negotiating a settlement with the Fire Brigades Union (FBU) in line with the outcome of the Employment Tribunal (case number: 6100000/21). We understand that these negotiations are at an advanced stage and that DCLG will be bringing forward a consultation shortly.

Following parliamentary approval for the amending Order, retained firefighters employed between 1<sup>st</sup> July 2000 and 5<sup>th</sup> April 2006 inclusive will be eligible to purchase service under the terms of the modified New Fire Pensions Scheme (NFPS).

Once retained firefighters purchase service under the terms of the settlement a balance of scheme liability will be generated. To date, there has only been limited discussion between department officials and the sector on the potential scale of the scheme liability or the possible approaches to meeting this liability.

The scheme liability will depend on the number of retained firefighters who choose to purchase service and this is an unknown. However, we are concerned that the liability could be very large.

We have asked DCLG officials to provide further information on the potential financial risk to the pension scheme and we are writing to fire authorities to raise the profile of the issue.

/cont'd

/cont'd....2

7<sup>th</sup> February 2012

Mr Bob Neill MP  
Parliamentary Under Secretary of State  
Department for Communities and Local Government

This is an urgent matter as fire authorities consider their budgets for next year and their future financial position. We want to ensure any financial risk to fire authorities is managed over the long term in order to ensure financial stability.

I would welcome an early opportunity to meet with you to discuss this matter.

*Kind regards*  
*Brian*

**Councillor Brian Coleman, AM FRSA**  
Chairman, LGA Fire Services Management Committee and Fire Commission

**Item 4**

**Review of Fire Service Executive Leadership Programme (ELP)**

**Purpose of report**

For discussion.

**Summary**

The contract with Warwick Business School to provide the current fire service ELP expires in March 2012. The LGA and CFOA have constituted a working group to review and revise the specification for a new ELP. This report informs Members of the progress made so far. Councillor Richard Hobbs will set out the background and next steps at the Commission meeting.

**Recommendation**

Members are invited to comment on the contents of the report.

**Action**

Officers to progress as appropriate.

**Contact officer:** Maggie Harte  
**Position:** Director of HR, Avon FRS  
**Phone no:** 07795213607  
**E-mail:** [maggie.harte@avonfire.gov.uk](mailto:maggie.harte@avonfire.gov.uk)



**Item 4**

## **Review of Fire Service Executive Leadership Programme (ELP)**

### **Background**

1. Members will be aware that the Fire and Rescue Service traditionally runs a national leadership programme for its most senior officers. For the last four years this ELP has been run by Warwick Business School in partnership with the Fire Service College.
2. The current programme has been very well received by attendees and their sponsoring services. Five graduates of the programme have been appointed Chief Fire Officer with many more achieving promotion to Principal Officer posts.
3. Warwick Business School remain very interested in continuing their relationship with the Fire and Rescue Service. However, the Fire and Rescue Service and the environment in which it operates, has changed considerably during the last two years. We are now taking the opportunity to consider the content and delivery method of the programme.
4. In October 2011 the LGA and CFOA established a working group to undertake a review. The LGA is represented on this working group by Councillor Richard Hobbs (Warwickshire) as Chairman and Councillor Colin Spence (Suffolk). Councillor Mark Healey (Devon and Somerset) has also attended a workshop to aid in the redesign. CFOA has also secured the secondment of an officer from Avon Fire and Rescue Service (Maggie Harte, Director of HR and People Development) to lead the work.
5. The group has met on a number of occasions and established a number of principles which will guide the revisions to the programme.

### **New principles**

6. The principles which will guide the new programme are as follows:
  - 6.1 The new ELP will be hosted by the Fire Service College on behalf of LGA/CFOA and will be delivered in partnership with appropriate partners in line with procurement good practice.
  - 6.2 Candidates for the programme will come from across the UK and from all sectors of the Service and will be selected via a robust "Gateway".

**Item 4**

- 6.3 Core parts of the programme will be based upon "Applied Learning" using actual fire service case studies and scenarios, delivered by senior fire service figures, including both officers and Elected Members.
- 6.4 The programme will put increased emphasis upon developing political acumen, improving understanding of decision making processes and political relationships.
- 6.5 The programme will develop skills required in today's public service environment, such as Peer Assessment skills.
- 6.6 Academic accreditation will not lead the programme but accreditation will be sought from appropriate vocational bodies such as the Institute of Directors.
- 6.7 The programme will cost under £10,000 per candidate but without loss of quality. Contact time will be approximately 20 days and will be delivered in modular format.

**Conclusion and next steps**

- 7. The new ELP is expected to commence in late 2012. Further work is now underway to find suitable partners, secure legal advice on procurement issues and design the selection gateway.
- 8. The joint LGA/CFOA Review Group will continue to provide governance for the project until the new ELP is underway, at which time new and appropriate governance arrangements will be put in place.

**Item 5**

**Fire Commission update paper**

**Purpose of report**

For information.

**Summary**

The report outlines issues of interest to the Commission not covered under the other items on the agenda.

**Recommendation**

Members to note the update.

**Action**

Officers to progress as appropriate.

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**Item 5**

**Fire Commission update paper**

**Business rates retention scheme**

1. The Government published its response to the consultation on the business rates retention scheme on 19 December 2011. On 20 December, LGA officers circulated a briefing on the issues for fire and rescue authorities to Fire Commission members. It covers the essential elements of the Government's proposals, the main LGA messages and implications for Fire and Rescue Authorities. Please refer to **Appendix A** for a copy of this briefing.
2. The Department for Communities and Local Government is in the process of setting up a Local Government Finance Working Group. This Group will advise Government on the design of the scheme and the LGA have been invited to nominate a representative to this group.

**Community Right to Challenge – Fire and Rescue Authorities**

3. The Community Right to Challenge in the Localism Act gives community and voluntary bodies, existing employees and parish councils the right to challenge to provide any local authority or fire and rescue service. Services excluded by the Secretary of State in regulations are exempt.
4. DCLG are continuing to consult other government departments on the services that will be excluded. However, previous consultation documents and policy statements highlight that services that are required in existing legislation to be delivered by the authority will not be subject to the Community Right to Challenge. For FRAs this means that core activities to put out fires, undertake rescues from fires and respond to road accidents should be excluded from the Community Right to Challenge in forthcoming regulations. The Community Right to Challenge also cannot be used to take over any 'functions' of a FRA, i.e. decision-making powers or duties.
5. Prevention Services carried out by FRAs however are likely to be within the scope of the Community Right to Challenge provisions. Authorities will have the opportunity to manage the flow of challenges to run these services by specifying periods when 'Expressions of Interest' will be accepted. Expressions of Interest received outside of these periods can then be rejected. It is also expected that other grounds for rejections will cover instances where an authority considers the body challenging to provide or assist in providing the service is not suitable, or has provided unsatisfactory, inadequate or inaccurate information. If a challenge is accepted, it will trigger a normal procurement exercise in which any provider can then participate.

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**Sprinklers' working group**

6. In December 2011, the Fire Commission moved to establish a working group to examine the case for launching a campaign to lobby on the issue of sprinklers. The working group met for the first time on 25 January 2012 and nominated Cllr Richard Hobbs as Chairman. Cllr Hobbs is joined by Cllr Rebecca Knox and Cllr David Milsted of Dorset, Cllr John Edwards from West Midlands and Cllr Dave Hanratty of Merseyside.
7. The Group discussed and agreed that the aim of a joint campaign with CFOA will be to lobby Government to reconsider the case for the mandatory installation of sprinkler systems. The Group will be lobbying for their installations in buildings where the most vulnerable either reside in or use - principally schools, care homes and homes of multiple occupation (including social housing). The Group is in the process of engaging with the Association of British Insurers (ABI), National Association of Fire Sprinklers, British Sprinkler Alliance, Fire Protection Association and the All Parliamentary Party Group for Sprinklers.
8. The Group will be meeting for the second time on 17<sup>th</sup> of February to develop a campaign plan and will report back to the FSMC and Fire Commission in May and June, respectively.

**Item 5**

**Appendix A - Retained business rates briefing for fire authorities**

**20 December 2011**

**Briefing for Fire Authorities**

**Proposals for Business Rates Retention Consultation: Government Response**

**Introduction**

The Government published on 19 December 2011 its response to the consultation on proposals for business rate retention.

The Government has confirmed its intention to introduce business rate retention from 2013.

**LGA Key messages**

- The proposals that the Government have published go some way to addressing local government's concerns about business rates relocalisation, but many detailed points remain unresolved.
- The design of the new arrangements now incorporates more safeguards to help authorities that raise relatively low amounts of business rates, and is likely to deliver a more even level of incentive for growth across the full range of local authorities.
- The 'set-aside' arrangements remain in place, but now return a proportion of business rates income fully to local government.
- Additionally, the proposed 10 per cent cut in the grant for council tax benefit (worth £500 million) means councils will be forced to make tough decisions about the services they provide if they don't want to raise council tax, particularly for those who are least able to pay. The tight timeframe for implementing this places an even greater burden on councils and we urge the Government to give councils the necessary time to do this in the most considered, flexible and cost-effective way possible.

**Key points for fire authorities**

- Most significantly for fire authorities the Government has decided that all fire authorities including single purpose fire authorities should be part of the scheme.

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- All fire and rescue authorities will be funded through a percentage share of each district or borough council's billing authority business rates baselines (pre-tier split), subject to the tariffs and top ups required to bring them to their baseline funding level.
- The Government's response recognises that single purpose fire and rescue authorities have fewer levers for growth. It proposes that the percentage share of billing authority business rates that single purpose fire and rescue authorities receive reflects this and provides them with a degree of protection within the scheme.

### *LGA view*

- *Fire authorities have been concerned about the potential for short to medium term funding disruption associated with being part of the scheme. The level of protection provided to fire authorities should mean that they receive as a minimum the level of funding that they would have received under a fixed grant system in the years to 2015.*

### **Proposed scheme design**

The Government has made a number of decisions on the design of the scheme.

#### ***Setting local and central shares***

- In setting the share of business rates that is localised the Government will have regard to the 2010 spending review.
- The Government has committed to reviewing the scope for further simplification and alignment of funding between business rates collected by local authorities and the functions and services which they fund.
- The Government will set out the percentage share of business rates that it is to be localised, together with the mix of functions and services to be funded through retained business rates, in the spring of 2012.
- The Government retains the right to alter the localised share of business rates.

### *LGA view*

- *Local government will not have access to the full real terms growth in business rates in 2013-14 and 2014-15 through the mechanism of the 'set-aside' even though they will now use proportional shares rather than a Government forecast. The LGA will continue to call for local government to have full access to the growth from business rates.*

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- *The LGA and the Fire Service Management Committee argued strongly against the set-aside. The Government's proposals indicate that the set-aside will continue beyond 2015. There is little rationale for this, as the main justification for the set-aside was to ensure that the scheme functions within the spending control totals issued in 2010 and therefore works alongside the deficit reduction programme. Continuing the set aside beyond this point cannot be justified. It reduces the incentive to grow business rates and acts a form of central Government control in a system which is designed to do the opposite. The set-aside is a tax on local authorities which the LGA opposes strongly.*

### ***Establishing the Baseline***

- In determining the business rate baseline the Government will use authorities' average rates over several years.
- Baseline funding levels will be based on 2012-13 formula grant (excluding the 2012-13 transition grant). Each local authority's baseline position will be arrived at by applying the process used to determine their 2012-13 formula grant allocation to the local government spending control totals for 2013-14, while updating all datasets and making some limited, technical updates to the formula.
- The Government will determine an authority's baseline using numbers after floor damping.

### *LGA view*

- *We note that the Government has made it clear how the 2012-13 grant process should be used to set the baseline and hope that the further consultation of detailed issues will make rapid progress.*
- *FSMC in its response wanted assurances that there is a mechanism within the scheme to ensure that any new responsibilities associated with national resilience are properly funded and that funding for national infrastructure is taken into account. We welcome the fact that the Government will continue to provide for new burdens through a new Revenue Support Grant.*

### ***The Levy***

- The scheme will have a proportionate levy which will allow an authority to retain growth in an equivalent proportion to its baseline revenue. The actual ratio will be set after discussions with local authorities.

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*LGA view*

- *We are pleased the fact that the levy to recoup a share of 'disproportionate benefit' will be based on 'proportionate shares' – this is the option which the LGA urged the Government to explore.*

**Resets**

- The system will be reset every 10 years.

*LGA view*

- *The supported resets triggered on the basis on evidence; there will be disappointment that the Government suggests 10 year resets.*

**The Safety Net'**

- This will be available to any authority that sees its funding decrease by more than a set percentage below their baseline funding level.
- Baselines will be up-rated in line with RPI to determine whether the authority is eligible for support and ensure the protection from the safety net is in real terms. The Government will consult in 2012 on the specific level at which the trigger point for the safety net should be set.
- The levy and the safety net must be self-funding, though there is the possibility of it balancing out over a number of years rather than per financial year. Benefits may be accrued during growth years to mitigate for adverse changes in low growth years.
- In the event that there is levy income over and above the level needed to ensure long-term safety net funding, this will be redistributed back to local government following a Government consultation.

*LGA view*

- *We are pleased the fact that the levy to recoup a share of 'disproportionate benefit' will be based on 'proportionate shares' – this is the option which the LGA urged the Government to explore.*
- *We support the proposal for top-ups and tariffs to be indexed to RPI. The LGA's response to the LGRR consultation said that we saw the technical case for this.*

## Note of decisions taken and actions required

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<b>Title:</b>	Fire Commission
<b>Date and time:</b>	Friday 09 December 2011, 11.00
<b>Venue:</b>	The Westminster Suite Room 8.1, Local Government House

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<b>Item</b>	<b>Decisions and actions</b>	<b>Action by</b>
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### 1. Fire Service College

Chairman Coleman welcomed Neil O'Connor, Andrew Morrison and Harriet Hepburn from the Department of Communities and Local Government.

Mr O'Connor and Mr Morrison gave a presentation updating Members on future options for the College and sought Members' views. They said that while a final decision has not yet been made, Ministers favoured an outright sale as opposed to a public private partnership. It was important to recognise that all options remain on the table, including possible closure.

Mr Morrison said that a full sale would be more attractive to the Private Sector than a social enterprise business model.

Members asked if the sale would require the Government to go to the European market. Mr Morrison replied that one advantage of a sale would be that disposal would not be a procurement exercise and therefore did not need to comply with European tendering rules and therefore a transfer of ownership could be completed much more quickly.

Members sought reassurance that as a centre of National Resilience, the college would have enough flexibility in its contract to ensure Fire interests were safeguarded. They asked if a guarantee of minimum use for FRSs would be included in the conditions for buying the college. Mr O'Connor said that the government would make clear to private companies that the Fire Service is ready to buy training if they supply it.

**Item 6**

Given the College's current financial position, the Commission asked if contractual terms would seek to prevent private sector companies amassing large debts on the college in future. CLG Officers responded that the Markets would govern any Private Owner's future spending. As part of the sale, the Government planned to resolve the legacy debt issues.

***Decision***

Members showed wide consensus for pursuing option 1 as a proposal.

**Action**

Officers to circulate DCLG's presentation to Members.

**Stephen  
Service**

**2. FRS Training and Development: Skills for Justice future funding**

County Fire Officer Max Hood from West Sussex FRS presented this item to the Commission.

***Decision***

Members agreed to fund the FRS Sector Skills Council for 1 year and review at the end of this period.

Cllr Richard Hobbs was nominated as the Commission's representative on the National Occupational Committee.

**Action**

Officers to take forward actions as agreed by Members.

**Helen Murray**

**3. Fire and Rescue Authorities within the LGA**

Helen Murray, LGA Head of Programmes briefed Members on current governance structures and sought Members views on the proposal to introduce elections for LGA Fire positions.

**Item 6**

Cllr Coleman commented that he had never known the LGA's relationship with FAs to be as close as it had been in the last few years. He argued that the sector has achieved more influence over government policy than ever before and cited the Fire College work as a good example of this. He stated his position to maintain the current status quo.

Cllr David Rowlands, as proposer of the motion, said that he would be guided by the Commission's decision on this issue.

Cllrs Timoney and Hilton voiced their agreement with the Chairman to keep current governance arrangements.

Although a formal vote was not recorded, a show of hands indicated broad consensus for maintaining the current appointment arrangements.

***Decision***

Members agreed to maintain the current governance arrangements for FRAs in the LGA.

**4. Industrial Relations**

Gill Gittins, Principal Negotiating Officer at the LGA updated Members on the latest developments in industrial relations, including the Public Sector pensions strike on 30 November 2011.

This item was noted by Members.

**5. FSMC update paper**

On FiReControl, Mr O'Connor said that DCLG are currently assessing submissions for grant allocations and bidders will be notified early next year if they have been successful.

On the M5 road traffic accident, Cllr Healey from Devon and Somerset FRS said that the FRS response demonstrated the level of training, bravery and professionalism that crews needed. Cllr Coleman echoed his praise for the work of crews

**Item 6**

on behalf of the Commission.

On Sprinklers, Cllr Timoney proposed a cross party working group be set up. This was widely supported provided the focus was on how the Fire Service moved the agenda forward as opposed to the issue itself, which is well established. The Commission agreed that a draft report on the working group's progress should be tabled at the Fire Commission on 15 June 2012.

The 4 political groups agreed to nominate representatives to the working group.

**Action**

Officers to take forward arrangements for the all party working group on Sprinklers.

**Helen Murray /  
Eamon Lally**

**6. Annual Fire Conference and Exhibition 2012**

***Decision***

Members noted the report.

**Action**

LGA Officers were asked to let the Commission know the cost of the Conference.

**Helen Murray**

This is £360 plus VAT for Members and £460 plus VAT for none Members. Delegates can register online at [www.local.gov.uk/events](http://www.local.gov.uk/events)

**7. Note of the last meeting**

Mr O'Connor confirmed that the draft National Framework would be released before Christmas.

***Decision***

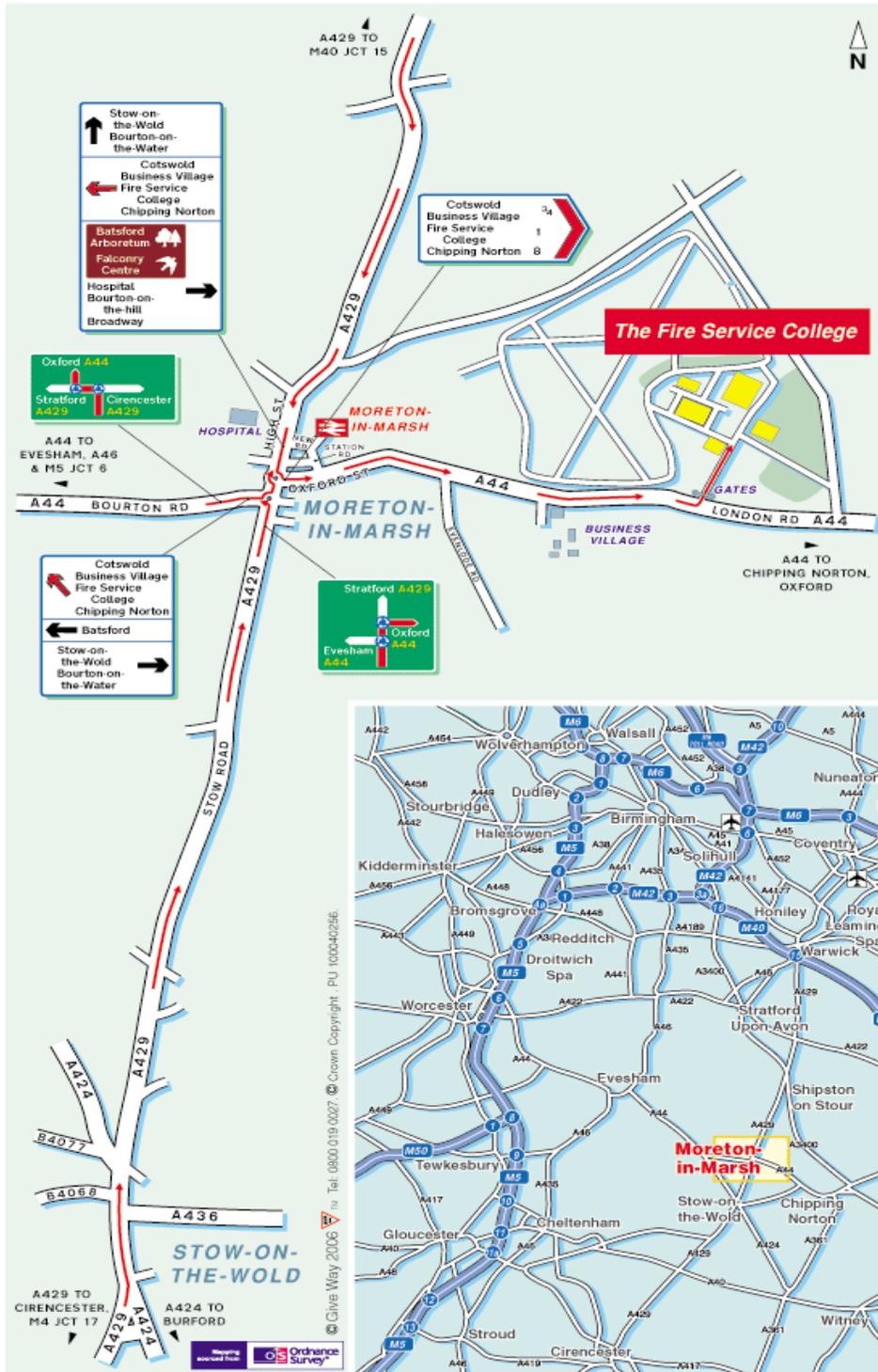
The note of the last meeting was agreed as a correct record.

**Date of next meeting: 11.00, Friday 17 February 2011 (at the Fire College,  
Moreton in Marsh)**

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## The Fire Service College



### Public Transport

#### By Rail

**Moreton-in-Marsh Station**  
 Approximately 20 minutes walk away.  
 For information on train operators and times phone National Rail Enquiries on 08457 484950.

#### By Air

**Birmingham International Airport**  
 Approximately 1 hours drive away.  
**London Heathrow Airport**  
 Approximately 1 hour 45 minutes drive away.  
**London Gatwick Airport.**  
 Approximately 2 hours drive away.

