



Nottinghamshire and City of Nottingham Fire and Rescue Authority Policy and Strategy Committee

**Minutes of the meeting held at Joint Fire / Police HQ, Sherwood Lodge, Arnold,
Nottingham, NG5 8PP on 11 November 2022 from 10.01 am - 10.51 am**

Membership

Present

Councillor Michael Payne (Chair)
Councillor Patience Uloma Ifediora
Councillor Mike Quigley MBE
Councillor Jonathan Wheeler
Councillor Tom Hollis (substitute for Councillor Jason Zadrozny)

Absent

Councillor Sybil Fielding
Councillor Jason Zadrozny

Colleagues, partners and others in attendance:

Craig Parkin, Chief Fire Officer
Becky Smeathers, Head of Finance and Treasurer to the Authority,
Malcolm Townroe, Clark and Monitoring Officer
Mick Sharman, Assistant Chief Fire Officer
Leila Henry) Risk Assurance and Operational Training
Matt Reavill)
Catherine Ziane-Pryor, Governance Officer

8 Apologies for Absence

Councillor Sybil Fielding
Councillor Jason Zadrozny (Councillor Tom Hollis substituting)

9 Declarations of Interest

None.

10 Minutes

The minutes of the meeting held on 24 June 2022 were confirmed as a true record and signed by the Chair.

11 Local Firefighter Pension Annual Report 2021/22

In her role as Firefighter Pension Scheme Manager, Becky Smeathers, Head of Finance and Treasurer to the Authority, presented the report.

Highlighted points included the following:

- a) Following the findings of the McCloud case, in April 2022 the Policy and Strategy Committee agreed for members of the firefighter's pension scheme to be treated in line with a previously agreed Framework for handling immediate detriment cases, despite the Framework now being withdrawn. In October 2023 legislation is expected to determine the final procedure, following which, adjustments will need to be made. The majority of older cases have been addressed with the exception of a small minority were circumstances such as divorce, which are not covered by the memorandum of understanding, and as such will have to wait for the legislation to be passed before being progressed;
- b) The Matthews and O'Brien case finding, regarding the modified scheme, enabled On-Call firefighters to retrospectively join the 2006 pension scheme back to original start of employment dates. Finding information to evidence employment has been difficult due to data protection legislation requirements, which prevents the retention of personal information, along with changes in pension providers. There is still a lot of work outstanding regarding this area. Links with the FBU are being used to support previous members to come forward and place claims. Again, legislation is expected in October 2023;
- c) Due to the additional workload, authority was provided to recruit additional expertise but no applications were received;
- d) The proposal to establish a joint Pension Board with Leicestershire, Derbyshire and Nottinghamshire is now progressing since the new administrators are embedded and West Yorkshire are willing to support the transition. Such an arrangement will help prevent expertise and knowledge gaps emerging as is the current situation;
- e) Scheme valuations and the cost cap mechanism, in 2012 there was a significant shortfall in the scheme and there then followed a significant increased employer contribution for which central government grant funding of £2.3m was provided as a one-off payment. There has since been a cap applied but the Service now funds £0.5m annually;
- f) The 2016 valuation was suspended until the finding of the McCloud case, and the implications on valuation were clear. However, there is now a judicial review to be taken to court in January querying whether the cost of the McCloud finding should be included in the valuation cap. This will also have implications on employer contributions.
- g) Partly dependant on the findings, over the next year employer costs are likely to significantly increase and it is unclear if the Service will receive any 'new burdens' funding to cover this cost. This is a significant risk to the Service;

- h) Approval is being sought to amend the Service's pension abatement policy regarding the amount of pension/wages that retired employees can be paid if returning to work for the Service. The LGA has now advised that there should not be a blanket policy regarding abatement and cases should be considered individually to identify if there is a clear exceptional benefit to the Service in doing so.

Members' questions were responded to as follows:

- i) It is difficult to specify what 'benefit to the service' may involve, in general terms, until individual circumstances are known. The decision would be finance based, or if the Service was not able to provide statutory service without the engagement of the individual(s). Providing a different blanket within a rigid framework would not necessarily allow the required flexibility;
- j) The Service needs as many tools as possible to ensure that the required skills can be accessed if required, or accept the operational risk to the Authority and public safety;
- k) All discretionary payments are reported to the Pensions Board, but there is also the option for a Discretions Panel similar to that for the Local Government Pensions Scheme, consisting of the Pension Manager, a member of Human Resources and a PO;
- l) The reality is that more people are leaving than joining the Service and there have been incidents in other occupations whereby senior officers leave and then are re-engaged and receive not only their pension but also a wage, which combined is a significant sum. How grievances and challenges will be managed needs further discussion and consideration;
- m) People returning to this Fire Service once left is quite common but pension abatement would really only be applied to the more specialist roles such as Fire Protection Building Inspection which require long-term specialist training, and not necessarily firefighters where new applications are more forthcoming;
- n) An issue has also been raised with regard to those who leave are not then paying into the pension scheme, whereby new employees are;
- o) During Covid some ex-full time firefighters were providing additional hours which then tipped over the abatement level whilst providing a good service to the community, but all returners are warned that this can happen, so should be aware;
- p) The perception of setting a president will be considered but potentially there is always the risk of challenge to the Service.

Member's comments included:

- q) It is requested that a framework by which benefit to the service can be determined, otherwise decisions will be open to interpretation and leaves the manager of the scheme open to challenge. It would not be effective for the Policy and Strategy Committee to have to approve individual applications so it is suggested that Becky Smeathers, as Pension Scheme Manager and Craig Parkin as Chief Fire Officer, set out a framework with a clear rationale, to be submitted to the Policy Strategy

Committee for approval so it can be clearly seen on what basis the exceptional decisions are made when reported on an annual basis;

- r) There is no value on the policy having a serious detriment of the quality of life of those returning to the employment of the Service, so the provision of a framework/rationale is required.

Resolved

- 1) **to note of the activity of the Pension Board and Pension Scheme Manager along with the update on current pension issues;**
- 2) **to approve a change in the Abatement Policy to allow discretion around abatement to be considered in exceptional in exceptional circumstances where there is a clear benefit to the Service in doing so;**
- 3) **for the Pension Scheme Manager to submit to a future meeting of the Policy and Strategy Committee, a framework/rationale by which discretionary abatements will be guided.**

12 Exclusion of the Public

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

13 Exempt Minutes

The exempt minutes of the meeting held on 24 June 2022 were confirmed as a true record and signed by the Chair.

14 Resilience Update

Matt Reavill, Risk, Assurance and Operational Training, presented the report.

Resolved to agree the recommendations as set out in the report and added to in the meeting.