

**For Publication**

**Bedfordshire Fire and Rescue Authority  
Human Resources Policy and Challenge  
Group  
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Item No. 8**

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**REPORT AUTHOR: HUMAN RESOURCES SECTION MANAGER**

**SUBJECT: FIREFIGHTER PENSION SCHEME DISCRETIONS FOR  
THE 1992, 2006 AND 2015 SCHEMES, AND THE 2006  
FIREFIGHTER COMPENSATION SCHEME**

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Background Papers: (Available on request)

- The Firemens Pension Scheme 1992
- The New Firefighters Pension Scheme 2006
- The Firefighters Compensation Scheme 2006
- The Firefighters Pension Scheme 2015

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Implications (tick ✓):

LEGAL	✓	FINANCIAL	
HUMAN RESOURCES	✓	EQUALITY IMPACT	✓
ENVIRONMENTAL		POLICY	
CORPORATE RISK	Known	OTHER (please specify)	
	New	CORE BRIEF	

*Any implications affecting this report are noted at the end of the report.*

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## **PURPOSE**

To advise Members of the policy statements relating to employer discretions under the following pensions schemes:

- The Firemens Pension Scheme 1992
- The New Firefighters Pension Scheme 2006
- The Firefighters Compensation Scheme 2006
- The Firefighters Pension Scheme 2015

## RECOMMENDATION

That Human Resource Policy and Challenge consider the Policy Statements attached at Appendix A for the Firefighter Pension Schemes and recommend their adoption to the Fire and Rescue Authority to be managed on a day-to-day basis by the Chief Fire Officer under existing delegations.

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### 1. Background

- 1.1 As part of the Government's reforms to public service pensions, the Department for Communities and Local Government (DCLG) published a number of consultation documents introducing a new Firefighters' Pension Scheme from 1 April 2015. The 2015 scheme is a Career Average Revalued Earnings (CARE) scheme and is the only scheme available for all firefighters, unless they have full or tapered protection (based on age) from their previous 1992 or 2006 Firefighter Pension Schemes. The legislation to provide the framework for the new scheme was provided for in the Pension Services Act 2013. The Regulations to implement the new scheme were set out in the Firefighters' Pension Scheme (England) Regulations 2014. These were laid before Parliament at the end of October 2014.
- 1.2 With effect from 1 April 2015, 206 firefighters transferred into the 2015 scheme, whilst a further 69 will transfer into the 2015 scheme from either the 1992 or 2006 schemes over a period of seven years (tapered protection). A further 55 firefighters remain fully protected under the 1992 scheme, 8 remain fully protected under the 2006 scheme, whilst 8 have transferred into the Modified Scheme – the scheme that has recently been made available to RDS staff who were unable to join a pension scheme between 1 July 2000 and 5 April 2006.
- 1.3 As part of the introduction of the 2015 scheme, fire authorities are required to publish and keep under review their policy on certain discretions which they have the power to exercise in relation to firefighters of all of the firefighter schemes.
- 1.4 This report addresses all outstanding delegations and discretionary powers under the Firefighters Pension Scheme (1992), The New Firefighters Pension Scheme (2006), The Firefighters Compensation Scheme (2006) and the Firefighters Pension Scheme (2015). All pension schemes require organisations to have determined appropriate decision making arrangements for all powers set out within the scheme. In addition, the four pension schemes provide a range of discretions which may be exercised on behalf of the Authority.

1.5 To mitigate risk, it is recommended that the Service adopt the same best practice approach of a 'Service panel' to consider the application of discretionary powers. Members agreed this Panel to consider the application of discretionary powers for the Local Government Pension Scheme (LGPS) in July 2014. It is proposed that the panel for the fire pension scheme discretions is formed under the existing Chief Fire Officer delegations. The panel will comprise the same members, ie the Head of Human Resources, the Head of Finance and Treasurer, and the relevant Corporate Management Team (CMT) Manager. Where a panel member is unavailable, a suitable and relevant manager may substitute but the panel must always comprise at least one CMT member.

## 2. Factors for Consideration When Exercising Discretionary Powers

2.1 The following factors will be considered by the Service Panel:

- a. The extent to which the Service will exercise its discretionary powers, which unless properly limited, could lead to a serious loss of confidence in the public service; for example individuals receiving excessive pay outs and poor administration of the pension scheme;
- b. The Service must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs;
- c. Overall reasonableness in exercising the Service discretion;
- d. Real and substantial future benefits to the Service and its tax payers;
- e. Financial savings to be realised over future years; and
- f. Employee relations considerations.

## 3. Organisational Approach to Determining the Discretions Recommended to Members

3.1 In order to maintain consistency, the Service have continued to use the template approach that has been used for previous discretion documents. Assistance was provided by Clair Alcock of the LGA and our firefighter pension administrators, the London Pension Fund Administrators (LPFA).

3.2 The Service has been cognisant of the requirement to assess each case on its merits so as to ensure organisational flexibility, particularly in the current economic climate. The Service is proposing a policy statement to members that is economically viable, will be practically applied, and is consistent with developments in employment law and best practice.

3.3 In the proposed statement at Appendix A, each discretionary element is described followed by a proposed policy statement for BFRS.

#### 4. Implications

##### 4.1 **Legal:**

Bedfordshire Fire and Rescue Authority is required to publish a statement with regards to how the employer will respond to discretionary aspects of the Fire pension scheme rules and regulations.

This statement will be published on the Bedfordshire Fire and Rescue Authority website and will also be made freely available in other ways such as intranet sites, staff groups, trade unions and HR officers.

##### 4.2 **Human Resources:**

In line with good practice, the discretions outlined in the Policy Statement will be exercised by a panel of Senior Officers comprising:

- Head of Human Resources
- Head of Finance
- Functional Head from the employing Department (or where last employed).

Information will be maintained and updated accordingly by HR in liaison with professional Pension Administrators and Advisers.

##### 4.3 **Equality Impact**

As above, to ensure equality and transparency in decision making a panel will be formed to consider discretions outlined in the policy.

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