

For Publication

Bedfordshire Fire and Rescue Authority
Executive Committee
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REPORT AUTHOR: ASSISTANT CHIEF FIRE OFFICER

SUBJECT: TARGETED USE OF ABATEMENT & RE-ENGAGEMENT POLICY

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Background Papers:

- Minutes of the FRA Meeting May 2015
 - Minutes of the FRA Executive 26 May 2022
 - Abatement and Re-engagement Policy
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PURPOSE:

To discuss the potential targeted application of the Abatement and Re-engagement Policy to re-engage to roles that prove hard to fill due to the specialist skills and experience required, the length of time it takes to develop them, and the limited numbers available to recruit from in the market.

RECOMMENDATION:

That the targeted use of the Abatement and Re-engagement Policy for roles that prove hard to fill due to the specialist skills and experience required and the time it takes to develop them be approved.

1. Background

- 1.1 At the FRA Executive meeting in March 2022 there was a discussion with Members around options to address the potential loss of a significant number of operational staff to the London Fire Brigade and other FRS' that were recruiting. One of those options was to re-engage and therefore retain the skills and experience of those who were due to retire across all levels within the Service. Members requested a more in-depth discussion around the application of the Abatement and Re-engagement Policy.
- 1.2 This was discussed further at the May 2022 Executive Committee meeting and Members requested that a review of the current Abatement and Re-engagement policy takes place due to the long awaited LGA advice on the subject being received.
- 1.3 The current policy has been reviewed and amended in line with the LGA guidance and the policy was presented to the FRA Audit & Standards committee on the 29th September 2022.

2 The Abatement and Re-engagement Policy

- 2.1 Re-engagement is when a Firefighter retires and is re-employed as a Firefighter in the same role. This must be requested and approved before retirement.
- 2.2 When a retiree wishes to be re-employed to a different role, this must be in response to an advert and requires a selection process.
- 2.3 The benefits of re-engagement include the retention of expertise, skills and experience particularly for niche fire sector roles, retention of organisational knowledge, reduced costs associated with recruitment and training.
- 2.4 Potential disadvantages include inhibiting promotion and succession planning opportunities, a barrier to improving diversity of the workforce by maintaining the status quo and the loss of high performing staff looking to progress their career and move to other FRS'.
- 2.5 HM Treasury (HMT) policy requires public service pensions to be abated in certain circumstances including when an employee is re-employed following retirement. Fire and Rescue Authorities are statutorily obliged to apply abatement when it

occurs in accordance with the regulations of the Firefighters' pension schemes. As the years progress, index linking is applied to the figures.

2.6 Abatement applies in the final salary Firefighters' Pension Schemes (FPS 1992, FPS 2006) where a member begins to draw their pension and remains employed or is re-employed. The general principle is that the new salary plus pension cannot exceed the previous salary. Abatement does not apply to FPS 2015.

2.7 The FRA has a discretion not to apply abatement to a member. If this discretion is exercised, the FRA becomes liable to make a payment equal to the amount that could have been abated into the pension fund account.

3 Why BFRS stopped re-engagement

3.1 There are significant tax charges applicable due to the Protected Pension Age (PPA) of 40% to 55% of any lump sum payment and any salary paid before the age of 55). These tax charges could be mitigated by:

- a break in service of six months; or
- a break in service of one month and the ability within the relevant pension rules to allow for abatement; or
- a break in service of one month and the re-employment being "materially different".

3.2 However, there are significant risks associated with what constitutes a break in service. For example, the promise of post when still in service at an FRS may be sufficient to be deemed continuity of service by HMRC, who may consider the break to be a sham as opposed to a genuine retirement. The highest risk of this is when re-engaging to the same role in the same FRS with only a one-month break.

3.3 There are also risks around the definition of "materially different".

3.4 As a result of the complexities involved, in May 2015, the Fire Authority agreed parameters and factors under which the Chief Fire Officer was given the delegated authority for decision making regarding the application and the re-employment of retired fire fighters. These are detailed in the policy which are:

- there is no automatic entitlement to apply for or to be re-engaged
- decisions will be based on the context of each individual vacancy
- an assessment of the need to retain specific skills and experience that are difficult to obtain and based on return on investment

- the ability to attract, train and retain talented individuals to the role
- costs of recruitment and training of a new recruit
- the workforce profile of the Service, including diversity targets
- budgeted Service establishment and workforce planning considerations
- succession planning and opportunities to develop skills

4 Recruitment to date and next steps

- 4.1 Successful recruitment campaigns for wholetime operational staff and promotional gateways, in addition to the reduction in turnover during the pandemic have all contributed to maintaining sufficient resourcing levels until recently. However, the pension reforms and largescale recruitment campaigns by nearby FRAs such as London Fire Brigade have recently posed a very real threat to critical skills and challenged our resilience. As one of the smaller FRAs, BFRS does not generally run with extra capacity in the system which makes it susceptible even to small losses of critical skills.
- 4.2 In order to mitigate the risk, we are currently running a second wholetime initial training course with 12 trainees. It will take approximately two years for them to reach the competent standards required.
- 4.3 The service is experiencing difficulties filling some positions at all operational levels including fire control. This is a national issue effecting all Fire and Rescue Services. At levels above firefighter the service provides considerable investment in terms of both cost and time to develop competent and experienced officers in specialist skills such as protection inspecting officers, driving instructors, fire investigation, hazard materials and National Interagency Liaison Officers.
- 4.4 Therefore, the Service would like to consider the option of re-engaging BFRS operational staff eligible for retirement and is seeking to understand the FRA's position.

RECOMMENDATION:

That the targeted use of the Abatement and Re-engagement Policy for roles that prove hard to fill due to the specialist skills and experience required and the time it takes to develop them be approved.

ALISON KIBBLEWHITE
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