

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

27 JULY 2020

1. PENSIONABLE PAY DECISION

Report of the Chief Fire Officer.

2. PURPOSE OF REPORT

This report is submitted to request that the Committee in their role as Scheme Manager make a decision regarding whether an allowance should be treated as pensionable pay.

3. BACKGROUND

- 3.1 Under the rules of the various Firefighter Pension Schemes it is the responsibility of the Fire Authority to determine what constitutes Pensionable Pay for each scheme. In its role as the Scheme Manager the Audit and Risk Committee wield this responsibility.
- 3.2 West Midlands Fire Service has recently agreed to implement a new allowance payable to employees working within the Fire Safety team. The affected employees include members of the Local Government (LGPS) and Firefighters Pension Schemes (1992, 2006, and 2015).
- 3.3 The attached paper, approved by the Joint Consultative Committee, details the changes being made to working arrangements within the function.
- 3.4 The paper notes that during the trial period the payment will be pensionable in full for members of the LGPS and non-pensionable for members of the 2015 scheme. This is in line with the rules of those schemes and cannot be altered by the employer.
- 3.5 For members of the 1992 and 2006 Pension Schemes it is the responsibility of the Scheme Manager to decide if a payment meets the criteria to be classed as pensionable.

- 3.6 Whilst a pensionable payment is being made on a Temporary basis in the 1992 and 2006 schemes the Scheme Manager can agree that the payment is treated under the Additional Pension Benefit rules.

4. **DEFINITION OF PENSIONABLE PAY**

- 4.1 Pensionable pay for all schemes is defined as being the pay determined in relation to the performance of the duties of the role.
- 4.2 When considering the issue of Pensionable Pay the Scheme Manager should be especially mindful of the Blackbourne Principles as outlined within the Firefighters Pension Scheme Advisory Board factsheet. (Appendix 1).

5. **DECISIONS REQUIRED**

- 5.1 The Committee is asked to decide whether the payment meets the definition of Pensionable Pay above.
- 5.2 The Committee are further asked to decide whether If the payment is classed as Pensionable Pay it should it be treated under the Additional Pension Benefit rules for members of the 1992 and 2006 Firefighters' Pension Schemes, whilst being paid on a temporary basis.

6. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out.

7. **LEGAL IMPLICATIONS**

The decision of the Scheme Manager in this case may be challenged by an employee in receipt of the allowance. The challenge would be made through the Firefighters' Pension Scheme Internal Dispute Resolution Procedure. If this process does not resolve the matter the issue can be taken to The Pension Regulator and finally to the Supreme Court.

8. **FINANCIAL IMPLICATIONS**

Deciding that this allowance is part of Pensionable pay will increase the cost by a maximum of £6,564 per annum, during the trial period and £5,761 if the arrangement is subsequently made permanent.

BACKGROUND PAPERS

The Firemen's Pension Scheme Order 1992
The Firefighters' Pension Scheme (England) Order 2006
The Firefighters' Pension Scheme (England) Regulations 2014

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